

SYRACUSE CITY CORPORATION

Syracuse, Utah



Comprehensive Annual Financial Report
For the Fiscal Year Ended
June 30, 2016

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For the Fiscal Year Ended June 30, 2016

Prepared by:

Stephen Marshall, CPA
Finance Director

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SYRACUSE CITY
LIST OF ELECTED AND APPOINTED OFFICIALS
For The Year Ended June 30, 2016

Elected Officials

Terry Palmer	-----	Mayor
Andrea Anderson	-----	City Councilmember
Corinne Bolduc	-----	City Councilmember
Michael Gailey	-----	City Councilmember
Karianne Lisonbee	-----	City Councilmember
Dave Maughan	-----	City Councilmember

Executive, Legal and Budgetary Officials

Brody Bovero	-----	City Manager
Paul Roberts	-----	City Attorney
Stephen Marshall	-----	Budget Officer

Statutory Appointed Officials

Garret Atkin	-----	Chief of Police
Cassie Z. Brown	-----	City Recorder
Brody Bovero	-----	City Treasurer
Robert Whiteley	-----	City Engineer

Department Directors

Brigham Mellor	-----	Community & Economic Development
Stephen Marshall	-----	Finance Director
Eric Froerer	-----	Fire Chief
T.J. Peace	-----	Information Technology Director
Catherine Hoskins	-----	Justice Court Judge
Kresta Robinson	-----	Parks & Recreation Director
Robert Whiteley	-----	Public Works Director

SYRACUSE CITY

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INTRODUCTORY SECTION



Mayor
Terry Palmer

City Council
Andrea Anderson
Corinne Buldoc
Michael Gailey
Karianne Lisonbee
Dave Maughan

December 13, 2016

To the Honorable Mayor, City Council, and Citizens of the City of Syracuse:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of Syracuse City Corporation for the fiscal year ended June 30, 2016.

This report consists of management's representations concerning the finances of Syracuse City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the management of Syracuse City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Syracuse City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Syracuse City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Keddington & Christensen, LLC a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Syracuse City for the fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Syracuse City's financial statements for the fiscal year ended June 30, 2016, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Syracuse City's MD&A can be found immediately following the report of the independent auditors.

Entities receiving funding from the federal government are federally mandated to undergo a "Single Audit" designed to meet the special needs of federal grantor agencies. The Single Audit Act of 1996 and the U. S. Office of Management and Budget's Circular A-133 governing single audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Although the City received funds under federal financial assistance programs, the revenue was not sufficient to require a single audit.

The State of Utah requires the City to be audited in accordance with Government Auditing Standards (GAO Yellow Book 2013 Revision) and sets forth general requirements for auditors to follow in its Compliance Manual for Audits of Local Governments. The City is responsible for compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort or earmarking; and other special tests and provisions applicable to each of its major state assistance programs as required by the State of Utah Legal Compliance Audit Guide.

Profile of the Government

Syracuse City was incorporated on September 3, 1935 and is located in the northern part of the state along the Wasatch Front. Syracuse became linked to Antelope Island State Park in 1969, with construction of a causeway. The City is the gateway to Antelope Island bringing 398,147 visitors in fiscal year 2016, through the heart of the city. Syracuse City currently occupies a land area of 9.5 square miles and serves a population of approximately 27,000. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

Syracuse City is governed by a six-member council form of government. Policy-making and legislative authority are vested in a governing council consisting of a mayor and five other members, known as the City Council. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City's manager. The City Manager is responsible for carrying out the policies and ordinances of the governing council and for overseeing the day-to-day operations of the City. The Mayor and City Council are elected on a non-partisan, at-large basis and serve four-year staggered terms.

Syracuse City provides a full range of services, including police and fire protection; culinary water, secondary water, storm water, sewer and sanitation; construction and maintenance of highways, streets, and other infrastructure; and recreational activities. The governing council of the City also serves as the Board of Directors for the Syracuse City Redevelopment Agency (RDA) and the Municipal Building Authority of Syracuse (MBA). The RDA and MBA are separate legal entities, but due to the oversight responsibilities of the City's governing council in the decision making process, they are reported within the financial statements of Syracuse City. Additional information on the RDA and MBA can be found in Note 1 in the notes to the financial statements.

The annual budget serves as the foundation for Syracuse City's financial planning and control. All departments of the City are required to submit requests for appropriations to the Finance Director in March of each year. The Finance Director and City Manager use these requests as the starting point for developing a tentative budget. The Finance Director then presents the tentative budget to the governing council at their first meeting in May. The council is required to hold public hearings on the tentative budget and to adopt a final budget no later than June 22nd. The appropriated budget is prepared by fund, and department (e.g., police). Department directors may make transfers of appropriations within a department. Transfers of appropriations between departments require approval of the governing council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the major governmental funds, this comparison is presented on pages 59-62 as part of the required supplementary information for the governmental funds. For other funds with appropriated annual budgets, other than the major governmental funds, this comparison is presented in the supplementary section of this report, which starts on page 66.

Economic Conditions

The City has experienced a steady economic growth over the past few years. This is evidenced by our revenues associated with construction, namely building permits and development impact fees. These revenue increases show that the housing market is growing steadily; however, even with the increases in building permit revenue over the past few years, the City still continues to remain below the growth levels seen during the 2004 to 2007 fiscal years.

The City's tax revenues continue to show signs of steady growth in fiscal year 2016 with sales tax revenue up 6.4% over prior year. Property tax rates and levies by the City have remained relatively constant even though property values have increased by approximately 7.3% in Syracuse City. The property tax formula, provided in state law, is revenue based and the tax rate adjusts to provide the same revenue from year to year regardless of valuation changes. Property Tax revenues only increased due to new development and new homes built in Syracuse.

Long-Term Financial Planning

Financial policy dictates that unrestricted general fund balance be kept between 5% to 25% of general fund revenues. Each year's budget plan targets an amount within that range and may be higher or lower depending on

operational and capital needs of that year. The unrestricted fund balance for fiscal year ended June 30, 2016, was 20.5% of general fund revenues.

The City uses a five-year capital improvement plan to focus on upcoming projects that will require funding. Modification of the plan and reprioritization of projects takes place annually. The Council and management attempt to finance all City operations on a pay as you go basis. Issuing debt is avoided if at all possible.

The City has invested long-term in infrastructure by issuing bonds in 2006 and 2008 to construct a new city hall, fire station, and making significant modifications to its public works building and police station. These buildings and improvements will benefit the city for the next 30 to 40 years. The city plans to pay down its bonds over the next 12 years.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Syracuse City for its comprehensive annual financial report for the fiscal year ended June 30, 2015. This was the sixth consecutive year the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that the current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements.

The preparation of this report would not have been possible without the efficient and dedicated services of the Finance Department. I would like to express my appreciation to all employees of the City who assisted and contributed to the preparation of this report, and to our auditors, Keddington & Christensen LLC, for their cooperation and hard work. Credit must also be given to the Mayor, City Council, and City Manager for their support for maintaining the highest standards of professionalism in the management of Syracuse City's finances.

Respectfully submitted,

Stephen Marshall, CPA
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Syracuse City Corporation
Utah**

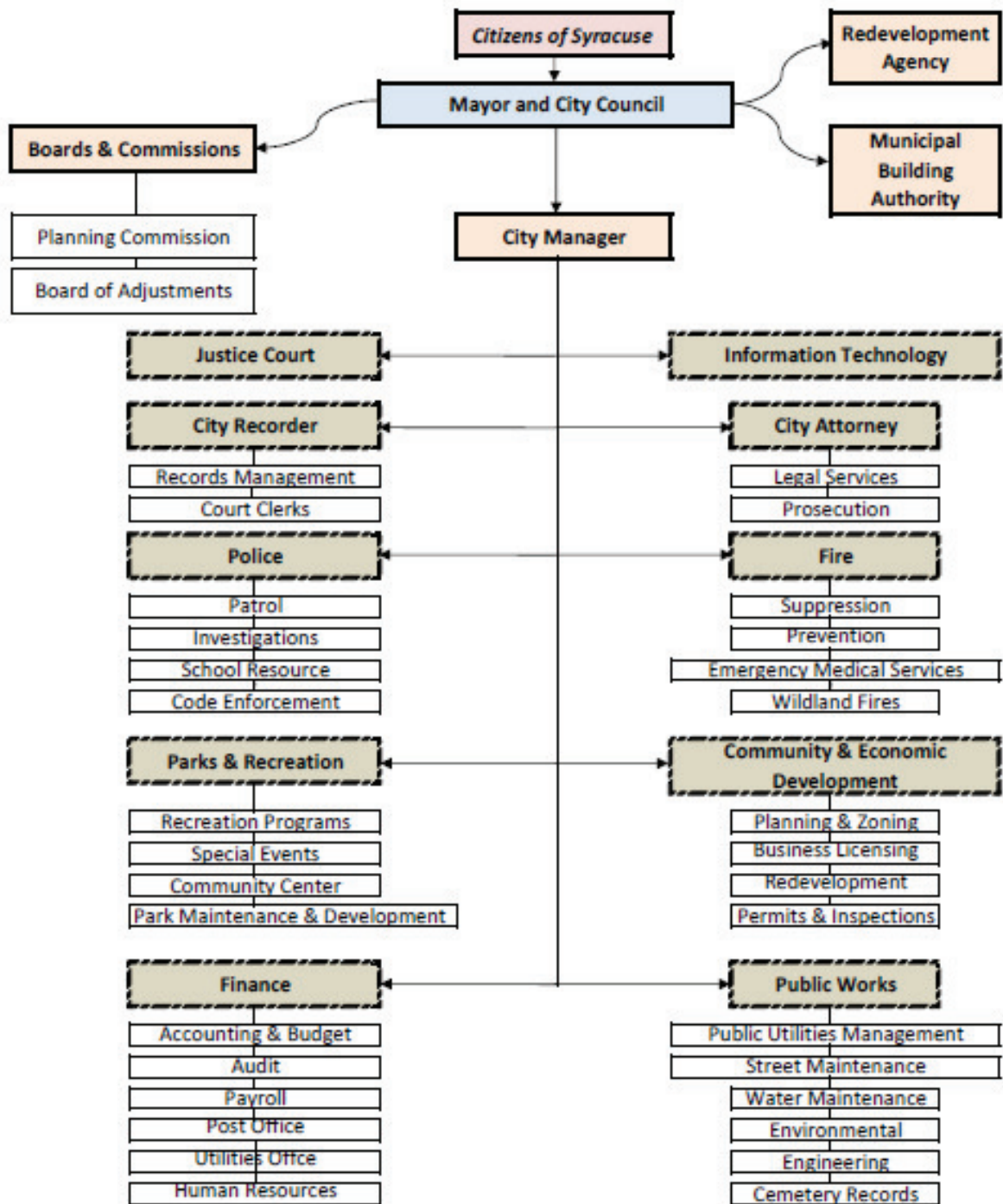
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

SYRACUSE CITY CORPORATION

Organizational Chart



FINANCIAL SECTION



Keddington & Christensen, LLC

Certified Public Accountants

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of City Council
Syracuse City
Syracuse City, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Syracuse, Utah as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Syracuse, Utah's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Syracuse, Utah as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as noted on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Syracuse, Utah's basic financial statements. The introductory section, budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2016, on our consideration of the City of Syracuse, Utah's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Syracuse, Utah's internal control over financial reporting and compliance.

Keddington & Christensen, LLC

December 5, 2016

SYRACUSE CITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

For The Year Ended June 30, 2016

The following is a discussion and analysis of Syracuse City's financial performance and activities for the year ended June 30, 2016. When read in conjunction with the notes to the financial statements, this section's financial highlights, overview and analysis will assist the reader to gain a more complete knowledge of the City's financial performance.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, we encourage readers to consider the information presented in conjunction with the letter of transmittal and the City's financial statements.

Financial Highlights

- The assets and deferred outflows of Syracuse City exceeded its liabilities and deferred inflows at June 30, 2016 by \$115,930,279 (net position). Of this amount, \$6,327,330 (unrestricted net position) may be used to meet the government's ongoing obligations.
- Syracuse City's total net position increased by \$7,159,854 during the fiscal year. Net position of governmental activities increased \$3,875,231 or 8.1%. Net position of business-type activities increased \$3,284,623 or 5.4%. The majority of the increase in net position during the year came from infrastructure assets contributed by developers of new subdivisions (i.e. streets, water lines, secondary water shares, sewer lines, and storm drains) as well as increased revenue from sales tax, franchise tax, and capital grants.
- Syracuse City's governmental funds reported combined ending fund balances of \$7,672,775 at June 30, 2016. Approximately 44.3% or \$3,400,224 of the ending fund balance is considered unrestricted (committed, assigned, or unassigned) and is available for spending either at the City's discretion or upon council approval.
- At June 30, 2016, unrestricted fund balance for the general fund was \$2,572,235 or 20.5% of the total general fund revenues.
- Syracuse City's total debt decreased by \$894,962 from principal payments on outstanding bonds and capital leases.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Syracuse City's basic financial statements which are comprised of: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements.

The financial statements also include information about Syracuse City Redevelopment Agency and the Municipal Building Authority of Syracuse City, blended *component units* of Syracuse City. Both entities are separate legal creations of Syracuse City but are reported here instead of having separate reports. A detailed explanation of the reporting entity is part of the notes to the financial statements.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide the reader with a broad overview of Syracuse City's finances in a manner similar to a private-sector business. The governmental and business-type activities are consolidated into columns which add to a total for the primary government.

The *statement of net position* presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows of resources, with the difference between the reported categories as *net position*. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. However, the reader will need to consider other non-financial factors. This statement combines and consolidates governmental fund's current financial resources with capital assets and long-term obligations.

SYRACUSE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2016

The *statement of activities* presents information showing how the City's net position changed during the fiscal year reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Both of the government-wide financial statements distinguish functions of Syracuse City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Syracuse City include general government, public safety, highways and public improvements, and parks and recreation and public property. The business-type activities of Syracuse City Corporation include the Secondary Water Fund, Culinary Water Fund, Sewer Utility Fund, Storm Sewer Utility Fund, and Garbage Utility Fund.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Syracuse City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into two types: governmental funds and proprietary funds.

Governmental funds. These funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Syracuse City maintains four individual governmental funds. Information is presented separately in the governmental funds balance sheet and governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, Redevelopment Agency Fund, and Municipal Building Authority which are all considered major funds.

Syracuse City adopts an annual budget for its General Fund, Capital Projects Fund, Redevelopment Agency Fund, and Municipal Building Authority Fund. A budgetary comparison statement has been provided for each of the aforementioned funds to demonstrate compliance with the fiscal year 2016 budget.

Proprietary funds. Syracuse City Corporation maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Secondary Water Utility, Culinary Water Utility, Sewer Utility, Storm Sewer Utility, and Garbage Utility. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. Syracuse City Corporation uses an internal service fund to account for its information technology activities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

SYRACUSE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2016

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Syracuse City Corporation's assets and deferred outflows exceeded its liabilities and deferred inflows by \$115,930,279 at the close of the most recent year, June 30, 2016.

The largest portion of the City's net position, \$103,886,741 (89.6%), reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$5,716,208, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$6,327,330, may be used to meet the City's ongoing obligations to citizens and creditors.

The following table reflects the condensed statement of net position:

Syracuse City Corporation's Net Position						
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 11,027,068	\$ 10,885,644	\$ 7,307,593	\$ 6,854,210	\$ 18,334,661	\$ 17,739,854
Capital assets	57,351,904	55,874,556	58,238,891	55,619,184	115,590,795	111,493,740
Total assets	68,378,972	66,760,200	65,546,484	62,473,394	133,925,456	129,233,594
Total deferred outflows of resources	1,259,534	554,394	142,906	44,733	1,402,440	599,127
Total assets and deferred outflows of resources	69,638,506	67,314,594	65,689,390	62,518,127	135,327,896	129,832,721
Long-term liabilities outstanding	12,423,350	13,278,483	62,129	53,046	12,485,479	13,331,529
Other liabilities	3,294,893	3,678,460	1,382,753	1,509,832	4,677,646	5,188,292
Total liabilities	15,718,243	16,956,943	1,444,882	1,562,878	17,163,125	18,519,821
Total deferred inflows of resources	2,188,308	2,500,927	46,184	41,548	2,234,492	2,542,475
Net position:						
Net investment in capital assets	45,647,850	43,067,769	58,238,891	55,619,184	103,886,741	98,686,953
Restricted	4,144,888	3,106,736	1,571,320	1,833,599	5,716,208	4,940,335
Unrestricted	1,939,217	1,682,219	4,388,113	3,460,918	6,327,330	5,143,137
Total net position	<u>\$ 51,731,955</u>	<u>\$ 47,856,724</u>	<u>\$ 64,198,324</u>	<u>\$ 60,913,701</u>	<u>\$ 115,930,279</u>	<u>\$ 108,770,425</u>

At the end of the current fiscal year, Syracuse City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

SYRACUSE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2016

The following table summarizes Syracuse City's total revenues, expenses, and changes in net position for fiscal year 2016 and 2015:

Syracuse City Corporation's Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 2,961,778	\$ 2,468,846	\$ 7,146,265	\$ 6,530,061	\$ 10,108,043	\$ 8,998,907
Operating grants and contributions	219,497	134,091	-	-	219,497	134,091
Capital grants and contributions	4,490,793	3,419,661	3,403,202	2,966,454	7,893,995	6,386,115
General revenues:						
Property taxes	2,422,791	2,230,221	-	-	2,422,791	2,230,221
Other taxes	4,968,547	4,677,620	-	-	4,968,547	4,677,620
Other	239,760	229,503	149,193	52,735	388,953	282,238
Total revenues	<u>15,303,166</u>	<u>13,159,942</u>	<u>10,698,660</u>	<u>9,549,250</u>	<u>26,001,826</u>	<u>22,709,192</u>
Expenses:						
General government	2,631,121	2,240,878	-	-	2,631,121	2,240,878
Public safety	4,399,653	3,543,704	-	-	4,399,653	3,543,704
Highways and public improvements	2,757,888	3,392,400	-	-	2,757,888	3,392,400
Parks and recreation	1,303,964	905,768	-	-	1,303,964	905,768
Interest on long-term debt	335,309	399,150	-	-	335,309	399,150
Culinary Water	-	-	1,963,462	1,854,520	1,963,462	1,854,520
Sewer	-	-	2,173,179	1,837,672	2,173,179	1,837,672
Garbage	-	-	1,277,589	1,226,319	1,277,589	1,226,319
Secondary Water	-	-	1,458,713	1,336,431	1,458,713	1,336,431
Storm Water	-	-	541,094	569,462	541,094	569,462
Total expenses	<u>11,427,935</u>	<u>10,481,900</u>	<u>7,414,037</u>	<u>6,824,404</u>	<u>18,841,972</u>	<u>17,306,304</u>
Increase in net position before transfers	3,875,231	2,678,042	3,284,623	2,724,846	7,159,854	5,402,888
Transfers	<u>-</u>	<u>95,626</u>	<u>-</u>	<u>(95,626)</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in net position	3,875,231	2,773,668	3,284,623	2,629,220	7,159,854	5,402,888
Net position - beginning of year	47,856,724	46,509,993	60,913,701	58,478,382	108,770,425	104,988,375
Adjustment to implement GASB 68	<u>-</u>	<u>(1,426,937)</u>	<u>-</u>	<u>(193,901)</u>	<u>-</u>	<u>(1,620,838)</u>
Net position - end of year	<u>\$ 51,731,955</u>	<u>\$ 47,856,724</u>	<u>\$ 64,198,324</u>	<u>\$ 60,913,701</u>	<u>\$ 115,930,279</u>	<u>\$ 108,770,425</u>

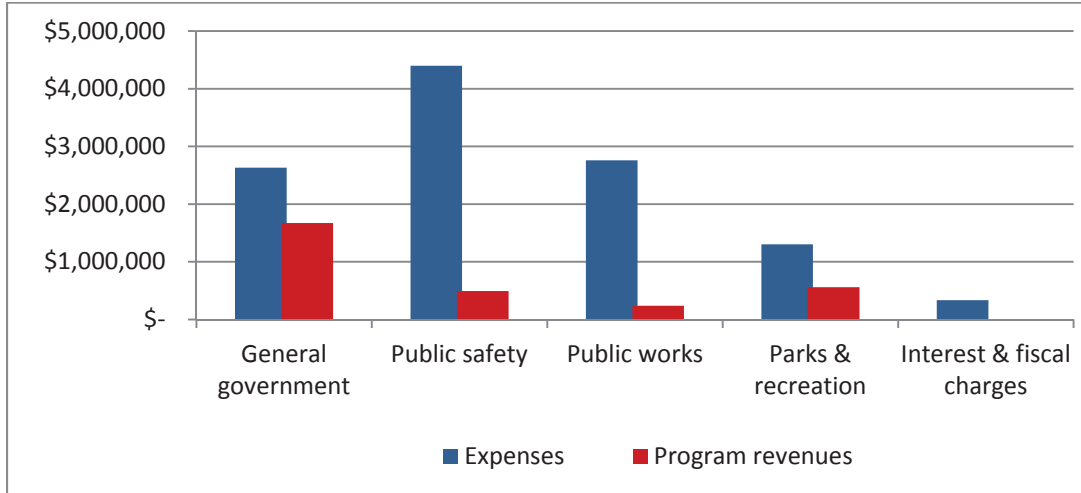
Governmental activities. Governmental activities increased Syracuse City's net position by \$3,875,231 in the current fiscal year. Key elements of the increase were as follows:

- Capital contributions from developers during fiscal year 2016 including streets, sidewalks, and curb and gutter totaled \$849,598.
- Sales tax revenue increased 6.4% or \$210,131 over the previous fiscal year while franchise taxes increased 5.9% or \$80,796.
- Capital grants increased by \$1,071,132 due to funding for the 3000 west road expansion project during fiscal year 2016.
- Impact fees related to new development increased by 75.1% or \$516,669 over prior year.
- Building Permit revenue increased 43.8% or \$248,525 over the prior year, while charges for services increased 16.8% or \$274,084 over the prior year.

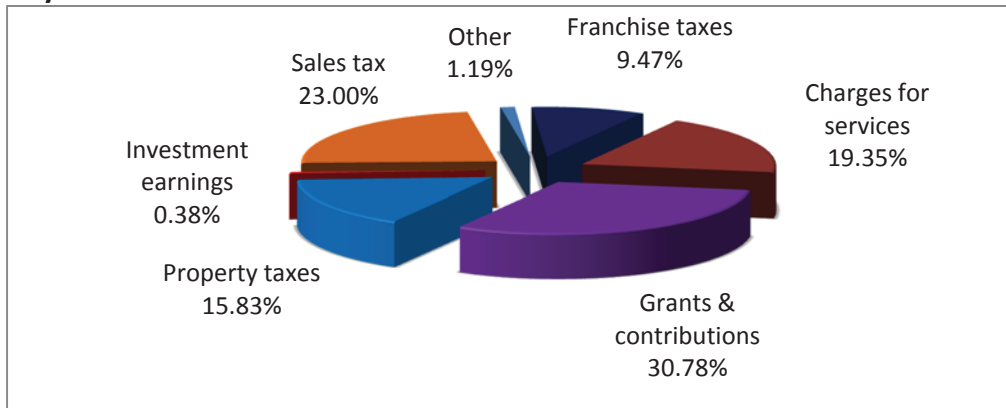
SYRACUSE CITY
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2016

The following graphs display a different perspective on governmental activities expenses compared to program revenues attributed to the activity:

Expenses and Charges for Services – Governmental Activities



Revenues by Source – Governmental Activities



Business-type activities. Business-type activities increased Syracuse City’s net position by \$3,284,623 in the current fiscal year. At the end of the current fiscal year, all of the City’s business-type funds reported a positive net position. Key elements of this change include:

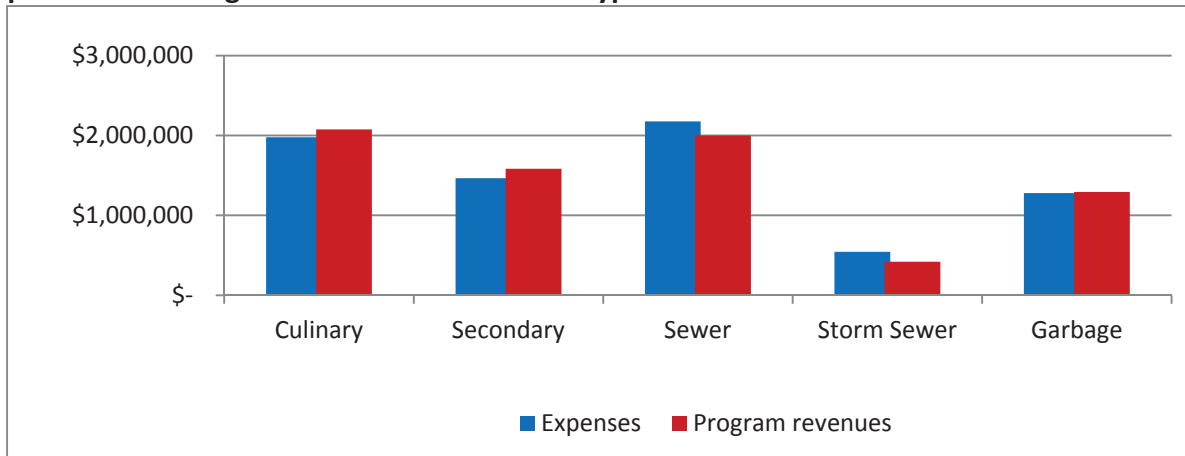
- User fee revenue from culinary water, secondary water, sewer, storm sewer and garbage services had an increase of \$506,291. This was mainly due to new homes paying for utility services and an increase in the sewer rate of \$3.00/month per user.
- Capital contributions totaling \$1,912,115 were donated from developers for new development during fiscal year 2016 including culinary & secondary water pipes, sewer lines, storm drains, and secondary water shares for new development.

SYRACUSE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2016

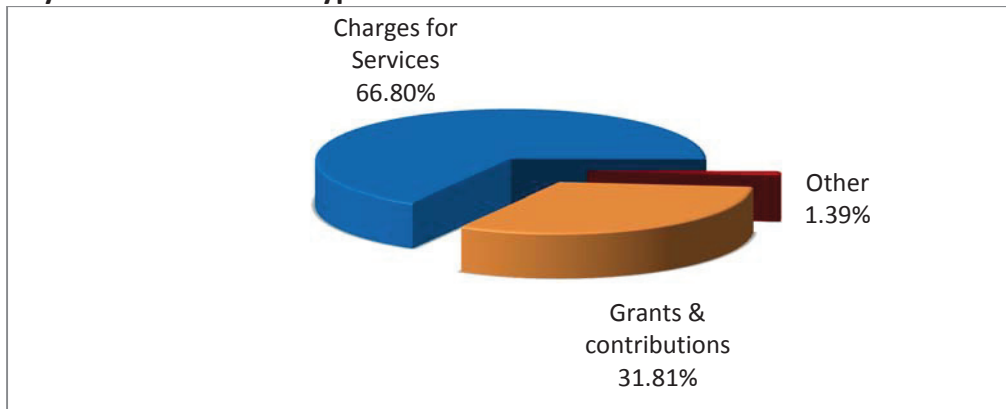
- Impact fees charged during fiscal year 2016 related to new development totaling \$1,334,481.
- Overall expenses increased by \$602,875 primarily due to an increase in sewer district disposal fees of \$320,351 and an increase in depreciation expense in the all funds collectively totaling \$76,308.

The following graphs display a different perspective on business-type activities reflected in the City's statement of activities:

Expenses and Charges for Services – Business-type Activities



Revenues by Source – Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, Syracuse City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

SYRACUSE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2016

At June 30, 2016, the City's governmental funds reported combined ending fund balances of \$7,672,775, an increase of \$1,346,582 from the prior year. There are five components of funds balance; nonspendable, restricted, committed, assigned, and unassigned. The nonspendable fund balance of \$127,663 includes items that are prepaid expenses and inventory. The restricted fund balance totaling \$4,144,888 is funds that must be spent for specific purposes and are externally restricted. Committed fund balances are not restricted but require council approval before monies can be spent. The City does not have any committed fund balances at June 30, 2016. The assigned fund balance of \$1,376,477 is unrestricted in nature but has been assigned internally by management for a specific or intended use. Finally, unassigned fund balance of \$2,023,747 is available for spending at the City's discretion and has not been assigned for a specific purpose.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unrestricted fund balance, which includes unassigned, assigned, and committed fund balances, of the General Fund was \$2,572,235, while the total fund balance was \$5,978,776. As a measure of the general fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund revenues less other financing sources and uses totaling \$12,568,289. Unrestricted fund balance represents 20.5% of total general fund revenues, while total fund balance represents 47.6% of that same amount.

During the fiscal year, the fund balance of Syracuse City's general fund increased by \$529,437. Key factors in the change are as follows:

- Class C roads funds increased by \$62,118 due to the State of Utah approving a gas tax increase that went into effect on January 1, 2016. Davis County citizens also voted for a ¼ cent sales tax increase that is dedicated to roads and transportation in the county. Syracuse City's portion of this sales tax increase was 0.1 cents. The total increase to Syracuse City for this new tax in fiscal year 2016 was \$71,890.
- Sales tax revenue increased 6.4% or \$210,131 over the previous fiscal year while franchise taxes increased 5.9% or \$80,796.
- Impact fees also increased \$516,669 or 75.1% over the prior year.
- Building permits and licenses revenue increased \$248,525 or 43.8% over the prior year.
- The City transferred \$800,000 out of the general fund to the capital projects fund for future capital projects.

The fund balance of the Capital Improvement Fund increased by \$747,154 over the prior year. This increase was due to the City transferring surplus funds from the General Fund to be used for future capital projects.

The fund balance of the Redevelopment Fund increased by \$74,787, while the Municipal Building Authority Fund balance decreased by \$4,796. The increase in the Redevelopment Fund was due to tax increment revenue exceeding budgeted costs for fiscal year 2016.

Proprietary funds. Syracuse City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The unrestricted net position of the culinary water fund at the end of the fiscal year 2016 was \$1,149,047, for the sewer utility fund the unrestricted net position was \$1,386,035, for the garbage utility fund the unrestricted net position was \$447,223, for the secondary water utility fund the unrestricted net position was \$1,081,304, and for the storm water utility fund the unrestricted net position was \$269,188. The change in net position for the five utility funds were as follows: Culinary water utility fund increased \$762,327, sewer utility fund increased \$61,914, garbage utility fund increased \$15,398, secondary water utility fund increased \$1,623,191, and storm water utility fund increased \$793,076.

Operating revenues for the Culinary Water Utility Fund increased 13.3% or \$244,089 from the prior year. Operating expenses increased 6.2% or \$115,565. These increases are primarily due to a community development block grant the City received for \$135,000 in revenue and an overall increase in the number of customers in the culinary system.

SYRACUSE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2016

Operating revenues for the Sewer Utility Fund increased 25.5% or \$406,742 from the prior year. Expenses increased 18.3% or \$336,610. This increase in revenue and expense is mainly attributed to a \$3.00 increase in sewer collection fees per user and an increase in disposal fees paid to the sewer district.

Operating revenues for the Garbage Utility Fund decreased by 4.1% or \$50,747. Expenses increased 4.3% or \$52,373 over prior year. These increases were primarily due to an increase in number of customers in the collection system.

Operating revenues for the Secondary Water Utility Fund increased by 5.2% or \$78,590. Expenses increased 9.4% or \$125,592. These increases are primarily due to an increase in number of customers in the secondary water system and an increase in expense to operate the water pumps and keep the system pressurized.

Operating revenues and expenses for the Storm Water Utility Fund increased by 3.9% or \$15,840. Expenses decreased 4.8% or \$27,265. The increase in revenue was primarily due to an increase in number of customers in the utility system. The decrease in expense was attributable to lower salary costs.

General Fund Budgetary Highlights

During the fiscal year, the general fund's original budget for expenditures and other financing uses was amended from an original total of \$10,065,245 to a final budget of \$14,251,348, an increase of \$4,186,103. Some of the more significant changes to expenditure items are as follows:

- Increase in expense for 3000 west road construction project totaling \$2,575,000.
- Increase in expense for various Class C road projects totaling \$743,296.
- Increase in expense of \$648,673 for various park improvement projects.
- Increase in expense of \$103,000 for street light installation.
- Increase in various other department expenses totaling approximately \$116,000.

Budget to actual. At the conclusion of the fiscal year, there were some differences between final budgeted revenues and expenditures and actual results. Most revenue classifications actual revenue amounts were right on target with the budgeted amounts with the exception of intergovernmental revenue, impact fees, charges for services and licenses and permits. The intergovernmental revenue fell short of budgeted amounts by \$717,355. This is due to the 3000 west project being completed under budget at year end. The impact fee revenue and charges for services, and permits and licenses revenue exceeded budgeted amounts by \$363,320, \$163,614, and \$211,167, respectively, due to higher demand for housing and commercial development than was anticipated. The remaining revenue accounts combined all came within \$74,869 of the budgeted amounts. In total, general fund revenue exceeded budget expectations by \$95,615, while general fund expenditures came in \$2,212,496 below budgeted amounts. This was mainly attributable to capital projects and park projects that were still under construction at fiscal year-end.

Capital Assets and Debt Administration

Capital assets. Syracuse City's investment in capital assets for its governmental and business-type activities as of June 30, 2016, amounts to \$115,590,795 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, infrastructure, machinery and equipment, vehicles, and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was \$4,097,055 or 3.7% (a 2.6% increase totaling \$1,477,348 for governmental activities and a 4.7% increase totaling \$2,619,707 for business-type activities). Major capital asset events during the current fiscal year include the following:

- 3000 west construction project from 1200 south to 200 south - \$1,767,004.
- Smedley Acres phase II - \$416,775.

SYRACUSE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2016

- Antelope drive and 3000 west - \$292,232.
- Steeds storm drain outfall at 3500 west - \$700,414.
- Rock Creek park improvements - \$456,985.
- Marilyn Acres phase III - \$462,505.
- Bluff Road overlay from 1000 west to gentile street - \$408,870.
- Infrastructure from developers through acceptance of new subdivision, \$1,853,133. Includes curb, gutter, sidewalks, roads, culinary water lines, secondary water lines, sewer lines, storm drains, and land drains
- Secondary water stock donated for development - \$896,250.
- Storage bay at public works - \$114,081.
- Various equipment, vehicles, park improvements - \$1,178,695.
- Depreciation expense on existing assets – \$4,449,889.

Syracuse City Corporation's Capital Assets (Net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Water shares/rights	\$ -	\$ -	\$ 11,375,645	\$ 10,479,395	\$ 11,375,645	\$ 10,479,395
Land	7,438,889	7,431,842	46,433	46,433	7,485,322	7,478,275
Construction in progress	552,333	1,581,140	612,456	432,816	1,164,789	2,013,956
Land improvements	3,066,723	3,193,906	769,420	789,513	3,836,143	3,983,419
Buildings and structures	15,002,804	15,602,862	518,721	542,571	15,521,525	16,145,433
Equipment, vehicles, and furnishings	1,763,659	1,881,011	439,834	474,947	2,203,493	2,355,958
Infrastructure	29,527,496	26,183,795	44,476,382	42,853,509	74,003,878	69,037,304
Total	<u>\$ 57,351,904</u>	<u>\$ 55,874,556</u>	<u>\$ 58,238,891</u>	<u>\$ 55,619,184</u>	<u>\$ 115,590,795</u>	<u>\$ 111,493,740</u>

Additional information on Syracuse City's capital assets can be found in note 5 on pages 43-44 of this report.

Long-term debt. At the end of the current fiscal year, the City's blended component unit, the Municipal Building Authority of Syracuse City (MBA), had total bonded debt outstanding of \$11,246,000. The bonds were issued for the purpose of financing the construction of a new city hall, a public works addition, remodel of the police station and construction of a new city fire station. The bonds mature in 2028 with principal payments due annually in March. Interest is due semi-annually in March and September.

In April 2016, the City elected to refinance its 2006, 2012, and 2014 MBA bonds to take advantage of lower interest rates in the market. With the 2016 bond refinance, the City secured a 1.9% fixed interest rate over the remaining life of the bonds and consolidated the debt into one single issue. The estimated net present value savings the City will recognize over the remaining life of the bond is \$711,500.

SYRACUSE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For The Year Ended June 30, 2016

Syracuse City Corporation's Outstanding debt

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
2006 MBA Facilities Bond	\$ -	\$ 850,000	\$ -	\$ -	\$ -	\$ 850,000
2012 MBA Fire Station Bond	-	4,649,000	-	-	-	4,649,000
2014 MBA Lease Refunding	-	6,431,000	-	-	-	6,431,000
2016 MBA Lease Revenue Refunding	11,246,000	-	-	-	11,246,000	-
Capital Lease - 10 Wheeler	-	38,141	-	-	-	38,141
Capital Lease - Police Vehicles	302,775	400,500	-	-	302,775	400,500
Capital Lease - Street Lights	363,151	438,147	-	-	363,151	438,147
Total	<u>\$ 11,911,926</u>	<u>\$ 12,806,788</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,911,926</u>	<u>\$ 12,806,788</u>

Additional information on Syracuse City's long-term debt activity can be found in note 8 on pages 45-48 of this report.

Economic Factors and Next Year's Budgets

Sales tax revenues for the fiscal year ended June 30, 2016 was 6.4% or \$210,131 higher than the previous year. It is expected that sales tax revenue will continue to increase as the economy continues to grow and expand. Construction of new homes has been above expectations and revenues associated with residential construction have exceeded budgeted amounts for fiscal year 2016. The city anticipates that new construction will continue and that building permits revenue in fiscal year 2017 will be comparable to the amounts in fiscal year 2016. The seasonally adjusted unemployment rate for Davis County as reported by the Utah Department of Workforce Services for June 2016 was 3.4%. There is no change when compared to the unemployment rate of 3.4% for June 2015. The rate reported for the State of Utah for June 2016 was 4.0%. These compare favorably to the national seasonally adjusted rate reported by the U.S. Department of Labor, Bureau of Labor and Statistics for June 2016 of 4.9%. County and state unemployment rates have been relatively unchanged over the past year. The City anticipates that unemployment rates will continue to stay low in the next few years.

These factors along with other economic factors were considered in preparing the 2017 fiscal year budget.

Request for Information

This financial report is designed to provide a general overview of Syracuse City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 1979 West 1900 South, Syracuse, Utah 84075. The report is also posted on the City's website at www.syracuseut.com.

BASIC FINANCIAL STATEMENTS

SYRACUSE CITY
STATEMENT OF NET POSITION
June 30, 2016

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 3,422,586	\$ 4,496,649	\$ 7,919,235
Receivables:			
Taxes	2,637,416	-	2,637,416
Accounts, net	131,739	695,548	827,287
Intergovernmental	499,060	139,295	638,355
Internal balances	(55,316)	55,316	-
Prepays	12,007	-	12,007
Inventories	115,656	47,645	163,301
Restricted Cash and cash equivalents	4,228,320	1,868,303	6,096,623
Capital assets not being depreciated:			
Water shares/rights	-	11,375,645	11,375,645
Land	7,438,889	46,433	7,485,322
Construction in progress	552,333	612,456	1,164,789
Capital assets, net of accumulated depreciation:			
Land improvements	3,066,723	769,420	3,836,143
Buildings and structures	15,002,804	518,721	15,521,525
Equipment, vehicles, and furnishings	1,763,659	439,834	2,203,493
Infrastructure	29,527,496	44,476,382	74,003,878
Net Pension asset	35,600	4,837	40,437
Total Assets	68,378,972	65,546,484	133,925,456
Deferred Outflows of Resources			
Deferred charge on refunding	207,872	-	207,872
Deferred outflows relating to pensions	1,051,662	142,906	1,194,568
Total Deferred Outflows of Resources	1,259,534	142,906	1,402,440
Total Assets and Deferred Outflows of Resources	\$ 69,638,506	\$ 65,689,390	\$ 135,327,896

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF NET POSITION (Continued)
June 30, 2016

	Governmental Activities	Business-type Activities	Total
Liabilities			
Accounts payable	\$ 1,084,538	\$ 882,875	\$ 1,967,413
Accrued liabilities	289,425	57,552	346,977
Accrued interest payable	66,863	-	66,863
Unearned revenue	48,497	-	48,497
Developer and customer deposits - restricted asset	18,075	199,429	217,504
Noncurrent liabilities:			
Due within one year	1,130,834	13,194	1,144,028
Due in more than one year	11,292,516	48,935	11,341,451
Net pension liability	1,787,495	242,897	2,030,392
Total Liabilities	15,718,243	1,444,882	17,163,125
Deferred Inflows of Resources			
Deferred revenue - property taxes	1,848,453	-	1,848,453
Deferred inflows relating to pensions	339,855	46,184	386,039
Total Deferred Inflows of Resources	2,188,308	46,184	2,234,492
Net Position			
Net investment in capital assets	45,647,850	58,238,891	103,886,741
Restricted for:			
Impact fees	3,278,878	1,571,320	4,850,198
Community development	866,010	-	866,010
Unrestricted	1,939,217	4,388,113	6,327,330
Total Net Position	\$ 51,731,955	\$ 64,198,324	\$ 115,930,279

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2016

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs						
Government Activities						
General governmental	\$ 2,631,121	\$ 1,671,162	\$ 96,793	\$ (863,166)	\$ -	\$ (863,166)
Public safety	4,399,653	493,418	80,020	(3,678,607)	-	(3,678,607)
Highways and public improvements	2,757,888	236,913	3,601,487	1,152,401	-	1,152,401
Parks and recreation	1,303,964	560,285	712,493	(31,186)	-	(31,186)
Interest on long-term debt	335,309	-	-	(335,309)	-	(335,309)
Total Governmental Activities	11,427,935	2,961,778	4,490,793	(3,755,867)	-	(3,755,867)
Business-type Activities						
Culinary Water	1,963,462	1,897,377	766,717	-	700,632	700,632
Sewer	2,173,179	1,990,827	226,649	-	44,297	44,297
Garbage	1,277,589	1,262,626	-	-	(14,963)	(14,963)
Secondary Water	1,458,713	1,580,011	1,496,165	-	1,617,463	1,617,463
Storm Water	541,094	415,424	913,671	-	788,001	788,001
Total Business-type Activities	7,414,037	7,146,265	3,403,202	-	3,135,430	3,135,430
Total Government	\$ 18,841,972	\$ 10,108,043	\$ 7,893,995	(3,755,867)	3,135,430	(620,437)
General Revenues						
Property taxes				2,422,791	-	2,422,791
Sales taxes				3,519,586	-	3,519,586
Franchise taxes				1,448,961	-	1,448,961
Interest income				58,216	38,818	97,034
Miscellaneous				181,544	70,653	252,197
Gain on sale of capital assets				-	39,722	39,722
Total General Revenues				7,631,098	149,193	7,780,291
Changes in Net Position				3,875,231	3,284,623	7,159,854
Net Position, Beginning				47,856,724	60,913,701	108,770,425
Net Position, Ending				\$ 51,731,955	\$ 64,198,324	\$ 115,930,279

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2016

	General	Redevelopment Agency	Municipal Building Authority	Capital Projects	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 2,428,749	\$ -	\$ 3,670	\$ 877,294	\$ 3,309,713
Receivables:					
Taxes	2,563,311	74,105	-	-	2,637,416
Accounts receivable, net	130,939	-	-	-	130,939
Intergovernmental	499,060	-	-	-	499,060
Prepays	12,007	-	-	-	12,007
Inventory	115,656	-	-	-	115,656
Restricted cash and cash equivalents	3,362,111	866,209	-	-	4,228,320
Total Assets	\$ 9,111,833	\$ 940,314	\$ 3,670	\$ 877,294	\$ 10,933,111
Liabilities					
Accounts payable	\$ 1,010,257	\$ 199	\$ -	\$ 52,975	\$ 1,063,431
Accrued liabilities	281,880	-	-	-	281,880
Unearned revenue	48,497	-	-	-	48,497
Payables from restricted assets-					
Developer and customer deposits	18,075	-	-	-	18,075
Total Liabilities	1,358,709	199	-	52,975	1,411,883
Deferred Inflows of Resources					
Unavailable revenue - property taxes	1,774,348	74,105	-	-	1,848,453
Total Deferred Inflows of Resources	1,774,348	74,105	-	-	1,848,453
Fund Balances					
Nonspendable					
Prepays	12,007	-	-	-	12,007
Inventory	115,656	-	-	-	115,656
Restricted					
Impact fees	3,278,878	-	-	-	3,278,878
Community development	-	866,010	-	-	866,010
Assigned					
Park maintenance	164,243	-	-	-	164,243
Street lighting	128,418	-	-	-	128,418
Road maintenance	255,827	-	-	-	255,827
MBA fund	-	-	3,670	-	3,670
Capital projects	-	-	-	824,319	824,319
Unassigned	2,023,747	-	-	-	2,023,747
Total Fund Balances	5,978,776	866,010	3,670	824,319	7,672,775
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,111,833	\$ 940,314	\$ 3,670	\$ 877,294	\$ 10,933,111

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2016

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - governmental funds	\$ 7,672,775
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	57,351,904
Accrued interest is not recorded in the funds.	(66,863)
Long-term liabilities, including bond payable and compensated absences, are not due and payable in the current period and therefore are not recorded in the funds.	(12,423,350)
Deferred outflows relating to the loss on refunding of debt is not current available resources and therefore is not included in the governmental funds.	207,872
Pension liabilities, pensions assets, and deferred inflows and outflows of resources relating to pensions are not current available resources, and are therefore not included in the governmental funds.	(1,017,806)
Internal service funds are used by management to charge the costs of information technology to other funds. The assets and liabilities of the internal service fund is included in the governmental activities in the statement of net position. This is the net effect of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service fund.	7,423
Net position - governmental activities	<u><u>\$ 51,731,955</u></u>

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS
For The Year Ended June 30, 2016

	General	Redevelopment Agency	Municipal Building Authority	Capital Projects	Total Governmental Funds
Revenues					
Taxes	\$ 6,995,706	\$ 395,632	\$ -	\$ -	\$ 7,391,338
Licenses and permits	815,417	-	-	-	815,417
Intergovernmental	2,608,490	-	-	40,799	2,649,289
Fines and forfeitures	208,626	-	-	-	208,626
Charges for services	1,907,359	-	-	-	1,907,359
Impact fees	1,204,320	-	-	-	1,204,320
Management fees	30,376	-	-	-	30,376
Lease revenue	-	-	1,097,410	-	1,097,410
Interest	49,737	5,822	890	1,305	57,754
Miscellaneous	181,544	-	-	-	181,544
Total Revenues	14,001,575	401,454	1,098,300	42,104	15,543,433
Expenditures					
Current:					
General government	1,882,524	-	-	-	1,882,524
Public safety	3,994,200	-	-	-	3,994,200
Highways and public improvement	3,533,813	-	-	-	3,533,813
Parks and recreation	1,442,742	-	-	-	1,442,742
Redevelopment	-	379,953	-	-	379,953
Lease payment	1,097,410	-	-	-	1,097,410
Miscellaneous	-	-	118,110	-	118,110
Debt service:					
Principal	74,996	-	11,930,000	135,864	12,140,860
Interest	13,167	-	335,986	7,297	356,450
Capital outlay	-	-	-	496,789	496,789
Total Expenditures	12,038,852	379,953	12,384,096	639,950	25,442,851
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,962,723	21,501	(11,285,796)	(597,846)	(9,899,418)
Other Financing Sources (Uses)					
Transfer in	-	53,286	35,000	1,345,000	1,433,286
Transfer out	(1,433,286)	-	-	-	(1,433,286)
Issuance of debt	-	-	11,246,000	-	11,246,000
Total Other Financing Sources (Uses)	(1,433,286)	53,286	11,281,000	1,345,000	11,246,000
Net Change in Fund Balances	529,437	74,787	(4,796)	747,154	1,346,582
Fund Balance, Beginning	5,449,339	791,223	8,466	77,165	6,326,193
Fund Balance, Ending	\$ 5,978,776	\$ 866,010	\$ 3,670	\$ 824,319	\$ 7,672,775

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2016

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 1,346,582
Governmental funds have reported capital outlays, past and present, as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	(2,718,841)
Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the statement of net position.	3,339,543
Governmental funds do not report contributions of infrastructure from developers as a revenue in the governmental statements. It is recorded as part of the entity wide presentation.	856,646
The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt uses current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amounts is the net effect of these differences in the treatment of long-term debt and related items:	894,860
The Statement of Activities reports net pension expense and benefit expense from application of GASB 68 which is not reported in the fund statements.	155,385
In the statement of activities, accrued interest on debt is recorded.	38,464
The Statement of Activities reports the allocation of the deferred loss on bond refunding as interest expense which is not reported on the fund statements.	(17,323)
The long-term portion of accrued leave does not require the use of current financial resources and therefore is not recorded as an expenditure in the Governmental Funds.	(39,727)
Internal service funds are used by management to charge the costs of information technology to individual funds. The net revenues or (costs) of these activities are eliminated at the government-wide level and a portion is allocated to the governmental activities.	19,642
Change in net position - governmental activities	\$ 3,875,231

The notes to the basic financial statements are an integral part of this statement.

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SYRACUSE CITY
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
June 30, 2016

	Business-type Activities - Enterprise Funds						Governmental Activities
	Culinary Water	Sewer	Garbage	Secondary Water	Storm Water	Total Enterprise	Information Technology
Assets							
Current Assets							
Cash and cash equivalents	\$ 1,050,118	\$ 1,466,496	\$ 455,530	\$ 1,156,230	\$ 368,275	\$ 4,496,649	\$ 112,873
Accounts receivable, net	204,371	181,892	123,775	146,212	39,298	695,548	800
Intergovernmental receivable	135,000	-	-	-	4,295	139,295	-
Inventories	31,591	-	16,054	-	-	47,645	-
Total Current Assets	<u>1,421,080</u>	<u>1,648,388</u>	<u>595,359</u>	<u>1,302,442</u>	<u>411,868</u>	<u>5,379,137</u>	<u>113,673</u>
Noncurrent Assets							
Restricted cash and cash equivalents	612,844	78,363	-	432,991	744,105	1,868,303	-
Capital assets:							
Water shares/rights	363,750	-	-	11,011,895	-	11,375,645	-
Land	20,308	-	-	26,125	-	46,433	-
Land improvements	-	-	-	1,004,658	-	1,004,658	-
Buildings and structures	56,700	-	-	681,500	-	738,200	-
Equipment, vehicles, and furnishings	803,227	397,570	-	268,132	-	1,468,929	-
Construction in process	190,094	199,748	-	23,470	199,144	612,456	-
Deliver/Collection system	20,483,295	16,195,711	-	14,840,079	11,900,221	63,419,306	-
Less accumulated depreciation	(6,476,065)	(4,024,100)	-	(5,283,307)	(4,643,264)	(20,426,736)	-
Net pension asset	1,421	880	360	1,184	992	4,837	762
Total Noncurrent Assets	<u>16,055,574</u>	<u>12,848,172</u>	<u>360</u>	<u>23,006,727</u>	<u>8,201,198</u>	<u>60,112,031</u>	<u>762</u>
Total Assets	<u>17,476,654</u>	<u>14,496,560</u>	<u>595,719</u>	<u>24,309,169</u>	<u>8,613,066</u>	<u>65,491,168</u>	<u>114,435</u>
Deferred Outflows of Resources							
Deferred outflows relating to pensions	41,981	25,992	10,626	34,991	29,316	142,906	22,527
Total Assets, and Deferred Outflows of Resources	<u>\$ 17,518,635</u>	<u>\$ 14,522,552</u>	<u>\$ 606,345</u>	<u>\$ 24,344,160</u>	<u>\$ 8,642,382</u>	<u>65,634,074</u>	<u>\$ 136,962</u>

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (Continued)
June 30, 2016

	Business-type Activities - Enterprise Funds						Governmental Activities
	Culinary Water	Sewer	Garbage	Secondary Water	Storm Water	Total Enterprise	Information Technology
Liabilities							
Current Liabilities							
Accounts payable	\$ 204,537	\$ 291,219	\$ 134,328	\$ 152,695	\$ 100,096	\$ 882,875	\$ 21,109
Compensated absences	3,764	3,010	163	4,245	2,012	13,194	-
Accrued liabilities	17,890	9,443	2,510	15,089	12,620	57,552	7,545
Total Current Liabilities	<u>226,191</u>	<u>303,672</u>	<u>137,001</u>	<u>172,029</u>	<u>114,728</u>	<u>953,621</u>	<u>28,654</u>
Noncurrent Liabilities							
Compensated absences	13,786	11,338	624	15,676	7,511	48,935	-
Customer deposits - payable from restricted assets	99,135	-	-	-	100,294	199,429	-
Net pension liability	71,355	44,178	18,062	59,473	49,829	242,897	38,289
Total Noncurrent Liabilities	<u>184,276</u>	<u>55,516</u>	<u>18,686</u>	<u>75,149</u>	<u>157,634</u>	<u>491,261</u>	<u>38,289</u>
Total Liabilities	<u>410,467</u>	<u>359,188</u>	<u>155,687</u>	<u>247,178</u>	<u>272,362</u>	<u>1,444,882</u>	<u>66,943</u>
Deferred Inflows of Resources							
Deferred inflows relating to pensions	13,567	8,400	3,435	11,308	9,474	46,184	7,280
Total Liabilities, and Deferred Inflows of Resources	<u>424,034</u>	<u>367,588</u>	<u>159,122</u>	<u>258,486</u>	<u>281,836</u>	<u>1,491,066</u>	<u>74,223</u>
Net Position							
Net invested in capital assets	15,441,309	12,768,929	-	22,572,552	7,456,101	58,238,891	-
Restricted for impact fees	504,245	-	-	431,818	635,257	1,571,320	-
Unrestricted	1,149,047	1,386,035	447,223	1,081,304	269,188	4,332,797	62,739
Total Net Position	<u>\$ 17,094,601</u>	<u>\$ 14,154,964</u>	<u>\$ 447,223</u>	<u>\$ 24,085,674</u>	<u>\$ 8,360,546</u>	<u>64,143,008</u>	<u>\$ 62,739</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time						<u>55,316</u>	
Net position of business-type activities (page 19)						<u>\$ 64,198,324</u>	

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET
POSITION – PROPRIETARY FUNDS
For The Year Ended June 30, 2016

	Business-type Activities - Enterprise Funds						Governmental Activities
	Culinary Water	Sewer	Garbage	Secondary Water	Storm Water	Total Enterprise	Information Technology
Operating Revenues							
Charges for services:							
Monthly service charge	\$ 1,795,936	\$ 1,899,327	\$ 1,262,626	\$ 1,485,311	\$ 415,424	\$ 6,858,624	\$ 240,000
Connection and servicing fees	101,441	91,500	-	94,700	-	287,641	-
Intergovernmental	152,311	-	-	-	4,295	156,606	-
Miscellaneous	26,743	9,735	29,900	3,525	750	70,653	-
Total Operating Revenues	2,076,431	2,000,562	1,292,526	1,583,536	420,469	7,373,524	240,000
Operating Expenses							
Salaries, wages, and benefits	299,972	158,566	52,353	237,687	179,842	928,420	141,310
Operations and maintenance	668,954	96,257	92,129	500,981	126,235	1,484,556	50,828
Professional services	445,400	1,407,814	1,135,500	309,548	-	3,298,262	-
Depreciation	563,444	512,518	-	417,676	237,410	1,731,048	-
Miscellaneous	51	417	-	-	-	468	-
Total Operating Expenses	1,977,821	2,175,572	1,279,982	1,465,892	543,487	7,442,754	192,138
Operating Income (Loss)	\$ 98,610	\$ (175,010)	\$ 12,544	\$ 117,644	\$ (123,018)	\$ (69,230)	\$ 47,862

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET
POSITION – PROPRIETARY FUNDS (Continued)
For The Year Ended June 30, 2016

	Business-type Activities - Enterprise Funds						Governmental Activities
	Culinary Water	Sewer	Garbage	Secondary Water	Storm Water	Total Enterprise	Information Technology
Nonoperating Income (Expense)							
Interest income	\$ 9,589	\$ 10,275	\$ 2,854	\$ 9,382	\$ 6,718	\$ 38,818	\$ 497
Gain (loss) from sale of capital assets	39,722	-	-	-	-	39,722	-
Total Nonoperating Income (Expense)	49,311	10,275	2,854	9,382	6,718	78,540	497
Income (loss) before capital contributions	147,921	(164,735)	15,398	127,026	(116,300)	9,310	48,359
Capital Contributions:							
Impact fees	314,979	-	-	394,059	625,443	1,334,481	-
Developer contributions	299,427	226,649	-	1,102,106	283,933	1,912,115	-
Change in Net Position	762,327	61,914	15,398	1,623,191	793,076	3,255,906	48,359
Net Position, Beginning	16,332,274	14,093,050	431,825	22,462,483	7,567,470		14,380
Net Position, Ending	<u>\$ 17,094,601</u>	<u>\$ 14,154,964</u>	<u>\$ 447,223</u>	<u>\$ 24,085,674</u>	<u>\$ 8,360,546</u>		<u>\$ 62,739</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds						28,717	
Changes in net position of business-type activities (page 20)						<u>\$ 3,284,623</u>	

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
For The Year Ended June 30, 2016

	Business-type Activities - Enterprise Funds						Governmental Activities
	Culinary Water	Sewer	Garbage	Secondary Water	Storm Water	Total Enterprise	Information Technology
Cash Flows From Operating Activities							
Receipts from customers and users	\$ 2,042,589	\$ 1,971,663	\$ 1,296,359	\$ 1,557,040	\$ 420,652	\$ 7,288,303	\$ (800)
Receipts from interfund services provided	990	1,250	600	27,084	1,297	31,221	240,000
Receipts from customer deposits	11,470	-	-	-	19,618	31,088	-
Payments to suppliers of goods or services	(984,263)	(1,343,767)	(1,140,424)	(708,681)	(49,959)	(4,227,094)	(28,118)
Payments to employees and related benefits	(304,212)	(157,908)	(55,114)	(239,859)	(183,819)	(940,912)	(144,710)
Payments for interfund services used	(325,908)	(75,477)	(43,738)	(258,169)	(75,477)	(778,769)	-
Net cash flows from operating activities	440,666	395,761	57,683	377,415	132,312	1,403,837	66,372
Cash Flows From Capital and Related Financing Activities							
Acquisition and construction of capital assets	(696,251)	(207,440)	-	(556,203)	(1,107,333)	(2,567,227)	-
Proceeds from sale of capital assets	148,931	-	-	-	-	148,931	-
Capital grants	(112,995)	-	-	-	(4,295)	(117,290)	-
Impact fees received	314,979	-	-	394,059	625,443	1,334,481	-
Contributions	-	-	-	-	19,378	19,378	-
Net cash flows from capital and related financing activities	(345,336)	(207,440)	-	(162,144)	(466,807)	(1,181,727)	-
Cash Flows From Investing Activities							
Interest on investments	9,589	10,275	2,854	9,382	6,718	38,818	497
Net cash flows from investing activities	9,589	10,275	2,854	9,382	6,718	38,818	497
Net Increase (Decrease) In Cash and Cash Equivalents	104,919	198,596	60,537	224,653	(327,777)	260,928	66,869
Cash and Cash Equivalents, Beginning	1,558,043	1,346,263	394,993	1,364,568	1,440,157	6,104,024	46,004
Cash and Cash Equivalents, Ending	\$ 1,662,962	\$ 1,544,859	\$ 455,530	\$ 1,589,221	\$ 1,112,380	\$ 6,364,952	\$ 112,873

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (Continued)
For The Year Ended June 30, 2016

	Business-type Activities - Enterprise Funds						Governmental Activities
	Culinary Water	Sewer	Garbage	Secondary Water	Storm Water	Total Enterprise	Information Technology
Reconciliation of operating income to net cash flows from operating activities							
Earnings (loss) from operations	\$ 98,610	\$ (175,010)	\$ 12,544	\$ 117,644	\$ (123,018)	\$ (69,230)	\$ 47,862
Adjustments to reconcile earnings (loss) to net cash flows from operating activities:							
Depreciation	563,444	512,518	-	417,676	237,410	1,731,048	-
Changes in assets and liabilities							
Accounts receivable, net	(32,852)	(27,649)	4,433	588	1,480	(54,000)	(800)
Inventories	(3,207)	-	1,840	-	-	(1,367)	-
Accounts payable	(198,739)	81,598	41,209	(162,340)	(3,352)	(241,624)	20,933
Compensated absences	2,098	4,583	(1,157)	3,111	448	9,083	-
Net pension asset	2,620	1,622	663	2,184	1,830	8,919	1,406
Deferred outflows relating to pensions	(28,840)	(17,856)	(7,300)	(24,038)	(20,139)	(98,173)	(15,475)
Accrued liabilities	6,180	3,646	418	6,019	4,151	20,414	1,777
Customer deposits	11,470	-	-	-	19,618	31,088	-
Net pension liability	18,520	11,466	4,688	15,436	12,933	63,043	9,938
Deferred inflows relating to pensions	1,362	843	345	1,135	951	4,636	731
Net cash flows from operating activities	<u>\$ 440,666</u>	<u>\$ 395,761</u>	<u>\$ 57,683</u>	<u>\$ 377,415</u>	<u>\$ 132,312</u>	<u>\$ 1,403,837</u>	<u>\$ 66,372</u>
Schedule of non-cash capital and related financing activities							
Contributions of capital assets	\$ 299,427	\$ 226,649	\$ -	\$ 1,102,106	\$ 264,555	\$ 1,892,737	\$ -

The notes to the basic financial statements are an integral part of this statement.

SYRACUSE CITY NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Syracuse (the City) are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. The City has adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance*. Accordingly, the City has elected to apply all applicable GASB pronouncements and codified accounting standards issued by GASB.

The more significant accounting policies established in GAAP and used by the City are discussed below.

Reporting Entity

The City is incorporated under the constitutional provisions of the State of Utah. The City operates under a Council- Mayor form of government. The Mayor and the five council members are elected at large with staggered terms. The Mayor is the administrative authority by statute. However, in Syracuse City, that responsibility has been delegated to the City Manager. Council has budgetary authority over all city departments and is accountable for all fiscal matters. City sales taxes, property taxes, utility user fees and development impact fees fund the majority of the costs of providing services to citizens including general administrative, judicial services (justice court), planning and zoning, public safety (police and fire), public utilities (culinary water, secondary water, sewer, storm water and garbage collection), highways and streets, parks-recreation, and public improvements.

In defining the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth by the Governmental Accounting Standards board (GASB). Under GASB Statement No. 61, *The Financial Reporting Entity*, the financial reporting entity consists of the primary government and the following component units:

Blended Component Units - Blended component units, although legally separate entities, are in substance part of the government's operations. They are reported as part of the primary government and blended with the appropriate funds. The reporting entity of these financial statements includes the Syracuse City Redevelopment Agency (RDA), and the Municipal Building Authority of Syracuse (MBA).

The RDA is governed by a six-member board comprised of the City Council and Mayor. Its sole purpose is a financing tool that allows the City to gather property tax increment dollars from increased property values to pay for improvements in designated redevelopment areas. Activities for the RDA are reported within the City's financial reporting entity as a blended component unit. Separate financial statements are not issued or required for the RDA. The RDA is considered to be a blended component unit because the City's governing body is also their governing body and they exist exclusively to accomplish specific purposes of the City Council.

Municipal Building Authority of Syracuse (MBA) is governed by a six-member board comprised of the City Council and Mayor. Its sole purpose is a financing tool that allows municipal facilities to be funded without requiring a vote of citizens. The MBA, as a separate entity, borrows monies and constructs municipal facilities which it owns. The City leases the structures from the MBA. These lease payments provide the revenue stream for the MBA to make the debt payments as they come due. The facilities are deeded to the government entity at the time the debt is extinguished. Activities for the MBA are reported within the City's financial reporting entity as a blended component unit. Separate financial statements are not issued or required for the MBA. The MBA is considered to be a blended component unit because the City's governing body is also their governing body and they exist exclusively to accomplish specific purposes of the City Council.

SYRACUSE CITY NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements

The City's basic financial statements consist of both government-wide statements and fund statements. The government-wide statements focus on the City as a whole, while the fund statements focus on individual funds.

Government-wide Financial Statements - The government-wide statements present information on all activities of the primary government and its blended component units. Primary government activities are distinguished between *governmental* and *business-type* activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The effects of inter-fund activity have been eliminated from the government-wide statements except for the residual amounts due between governmental and business-type activities and amounts of interfund services provided and used are not eliminated in the process of consolidation. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The *Statement of Net Position* presents the City's assets and liabilities, with the difference reported as net position. Net position is restricted when constraints placed upon it are either externally imposed or are imposed by constitutional provisions or enabling legislation. The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable within a specific function. The City does allocate insurance, legal fees, and other entity-wide expenses to individual funds. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not meeting the definition of program revenues are reported as general revenues.

Fund Financial Statements - The financial transactions of the City are recorded in individual funds. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is used to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. Separate statements are provided for *governmental* and *proprietary funds*.

GASB 34 introduced the concept of *major funds* to the fund statements. Because governments typically have too many funds to include information on each individual fund with the basic financial statements, criteria has been established to identify those funds that are reported in separate columns (*major funds*) and those that are grouped together (*non-major funds*). Syracuse City has chosen to present each of the funds in separate columns and thus designated all of its funds as "major". The Information Technology Fund and MBA Fund did not meet the criteria of a "*major fund*".

Measurement Focus and Basis of Accounting

The government-wide financial statements are prepared using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the related liability is incurred, regardless of the timing of the cash flows. Property taxes are recognized as revenues in the year for which they are levied. Other taxes and fees are recognized in the year in which the related sales or other activity has occurred. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of yearend). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary fund statements are also prepared using the *economic resources measurement focus* and the *accrual basis of accounting*. Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues generally result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating items, such as interest expense and investment earnings, result from non-exchange transactions or ancillary activities.

The City reports the following governmental funds:

- General Fund – This fund is the principal operating fund of the City. It is used to account for all financial resources not required to be accounted for in another fund.
- RDA Fund – This special revenue fund accounts for all activities of the Syracuse City Redevelopment Agency. This fund is used to account for the property tax increment received for redevelopment.
- MBA Fund – This special revenue fund accounts for all activities of the Municipal Building Authority of Syracuse. The fund's revenue source is provided by lease payments made by the City.
- Capital Projects Fund – This fund accounts for the monies that are being accumulated to provide additional City facilities as growth creates specific needs.

The City reports the following proprietary funds:

- Secondary Water Fund – This fund accounts for the operations of the pressurized irrigation system throughout the City.
- Culinary Water Fund – This fund accounts for the operation of the culinary water service of the City.
- Sewer Fund – This fund accounts for the maintenance of the city portion of the North Davis Sewer District collection system.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

- Garbage Fund – The fund accounts for the costs of the system of garbage collection and disposition.
- Storm Sewer – This fund accounts for the maintenance and construction of storm sewers throughout the City.

The City reports the following internal service fund:

- Information Technology/Internal Service Fund – Internal Service funds account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis. The City maintains an information technology fund to allocate such costs to the various departments and funds of the City. This fund is reported on the proprietary fund statements but is combined with governmental activities on the government-wide statements.

Budgeting and Budgetary Control

Annual budgets are prepared and adopted before June 22nd for the calendar year commencing the following July 1st in accordance with the Uniform Fiscal Procedures Act for Utah Cities. Once a budget has been adopted, it remains in effect until it has been formally revised. If any obligations are contracted for in excess of the adopted budget, they are not a valid or enforceable claim against the City. Budgets are adopted on a basis consistent with generally accepted accounting principles.

Adopting the Annual Budget - Each Spring the budget officer submits a tentative operating budget to the City Council for the calendar year commencing the following July 1st. The operating budget includes proposed expenditures and the means of financing them. The tentative operating budget is reviewed and tentatively adopted by the City Council they also set a date for a public hearing at which time taxpayers' comments are heard. Copies of the proposed budget are made available for public inspection ten days prior to the budget hearing. After the budget hearing, the tentative budget, with any amendments is legally enacted through passage of a resolution. A copy of the budget is certified by the budget officer and filed with the State Auditor within thirty days of adoption. A copy of the budget is available to the public after adoption.

Control of budgeted expenditures is exercised, under state law, at the department level. Administrative control is maintained through detailed line-item budgets for all departments. All appropriations lapse at the end of the calendar year. Budgets for the General Fund, special revenue, and capital projects funds are legally required and are prepared and adopted on the modified accrual basis of accounting. Budgets for proprietary funds are not legally required.

Modifying the Adopted Budget - Transfers of unexpended appropriations from one expenditure account to another in the same department can be made by consent of the department heads. Transfers of unexpended appropriations from one department to another department, as well as budget reductions for any department, may be made with consent of the Council. Expenditure appropriations of the General Fund may be increased by resolution only after a public hearing. Any other fund appropriation may be increased after giving public notice that the City Council will consider such a matter. Notice must be published seven days in advance of the meeting to consider the action. During the year the City modified various budgets using the above procedure.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, deferred outflows of resources, Liabilities, deferred inflows of resources, and Fund Balances / Net Position

Cash and Investments - Cash and cash equivalents consist of demand deposits with a local bank. For the purpose of the statement of cash flows, cash and cash equivalents are defined as the cash and cash equivalent accounts and the restricted cash and cash equivalents accounts. The City invests any cash that is not anticipated to be required within two weeks in the Public Treasurers Investment Fund (PTIF) administered by the State of Utah Treasurer's Office. Original maturities with PTIF are considered to be less than three months, thus, all deposits and investments are recorded at cost which is also considered to be fair value.

Accounts Receivable - Receivables from other governments are reasonably assured; accordingly, no allowance for uncollectible accounts has been established. Accounts Receivable from utility customers is offset by an allowance of estimated uncollectible accounts.

Taxes Receivable - Taxes receivable include accrued amounts for sales tax and property tax.

Sales tax collected on retail sales throughout the state, are forwarded to the Utah State Tax Commission. These taxes are processed centrally and distributed according to formula to each unit of government imposing a sales tax at the end of the second month after they have been collected by the retailer.

The property tax year runs from Jan 1st – Dec 31st of each year. Governing bodies actually establish a lien against properties as of the January 1st date even though the taxes are not due until November 30th. Each County bills and collects property taxes for all taxing entities within the County. Collections are distributed to the taxing entities monthly, with final settlement due March 31st of the subsequent year. The City records a receivable for those items actually collected by the County Treasurer but not yet transferred to the City and also the amount that is identified as a lien against the property to fund the coming year's services. This is shown as \$1,848,453 of the taxes receivable and also a deferred inflow of resources.

Prepaid Expenses - Prepaid expenses consist of certain payments to vendors that reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both government-wide and fund financial statements and expensed as the items are used. The City uses the consumption method to record these items as expenditures when they are used rather than when they are purchased.

Inventory – Inventory in the General Fund consists of postage, other post office supplies, and road and street lighting supplies which are priced at cost using the first-in/first out method. Inventory in the enterprise funds consists of materials used in the repair of collection and distribution lines and refuse receptacles which are priced at cost using the first-in/first out method. The City uses the consumption method for inventories, under which inventory items are considered expenditures when used, rather than when purchased.

Due to/Due from other funds - All cash and cash equivalents are accounted for in a pooled cash process. The money from each fund is combined to simplify the banking process. A particular fund may make disbursements of funds that have not physically been received. This technically requires that they draw from other fund's resources within the combined total. When this cash deficit occurs a *due to* account is charged in the funds requiring additional funds and a *due from* account is selected to offset the use of funds.

SYRACUSE CITY

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, deferred outflows of resources, Liabilities, deferred inflows of resources, and Fund Balances / Net Position (Continued)

Capital Assets - The City defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost where historical cost information is not available. Donated capital assets are recorded at estimated fair value on the date of donation.

Capital assets purchased or constructed by governmental funds are recorded as expenditures in the governmental fund statements. Interest expense for capital asset construction related to governmental activities is capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Water Stock is recorded as a capital asset. It is considered a key element of infrastructure rather than an investment instrument. Infrastructure improvements, buildings, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Years</u>
Land improvements	30-50
Infrastructure Improvements	30-40
Buildings and structures	30-50
Equipment, vehicles, and furnishings	5 – 20

Capital assets are reported in the applicable governmental or business-type activities columns in the government wide financial statements.

Deferred Outflows/Inflows of Resources – In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two types of items reported under this category. The City reports deferred charges on refunding and deferred outflows related to pensions (discussed below) in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports unavailable revenue from property taxes (described more fully in Note 6) and deferred inflows related to pension (discussed below) in this category.

Compensated Absences - City permanent full-time employees accrue vacation leave up to a maximum of 240 hours according to the following schedule:

<u>Years of Service</u>	<u>Hours Accrued Per Pay Period</u>
0 – 4 years	3.08 (10 days per year)
5 – 9 years	3.69 (12 days per year)
10 – 14 years	4.61 (15 days per year)
Over 14 years	6.15 (20 days per year)

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, deferred outflows of resources, Liabilities, deferred inflows of resources, and Fund Balances / Net Position (Continued)

Compensated Absences (Continued) - Employees are allowed to carry up to 240 hours of unused vacation leave each year, and all unused vacation leave is paid to employees upon termination. Employees may also earn compensatory time but only at the discretion of the city manager. The rate is one and one-half hours for each hour worked, with a maximum accrual of 480 hours for public safety employees and 240 hours for all others.

Vacation and compensatory leave are recorded as expenditures when used in governmental funds and as expenses when earned in proprietary funds and in the government-wide statements. A liability for unused vacation and compensatory leave is recorded in the government-wide Statement of Net Position.

Permanent full-time employees accrue sick leave at a rate of 3.69 hours for each two-week pay-period. Sick leave may accrue to a maximum of 1,040 hours. Sick leave is recorded as an expenditure/expense when used in all funds. Upon retirement, the City will pay the employee for 20% of all unused sick leave hours. The employee who is terminated or resigns shall not be compensated for unused accrued sick leave. The City accrues a sick leave liability for 20% of the sick leave balance of employees estimated to retire within the next five years.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by the URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Long-term Obligations - In the government-wide statements and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the governmental fund financial statements, bond premiums, discounts, and issuance costs are recognized as expenditures in the current period. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The face amount of debt issued is reported as other financing sources.

Net Position/Fund Balances - The difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources is *net position* on the government-wide and proprietary fund statements, and *fund balance* on the governmental fund statements.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, deferred outflows of resources, Liabilities, deferred inflows of resources, and Fund Balances / Net Position (Continued)

Fund Financial Statements

In the fund financial statements governmental fund equity is classified as fund balance. Fund Balance is further classified as Nonspendable, Restricted, Committed, Assigned or Unassigned:

- a. Nonspendable – Fund balances that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted fund balance – Fund balances are reported as restricted when they are constrained by externally imposed legal restrictions, by law through constitutional provisions or enabling legislation, or restrictions set by creditors, grantors, or contributors.
- c. Committed fund balance – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through adoption of a resolution. Only the City Council may modify or rescind the commitment.
- d. Assigned fund balance – Amounts that are designated by the Mayor for a specific purpose but are not spendable until budget ordinance is passed by City Council. This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council or through the City Council delegating this responsibility to the City Manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- e. Unassigned fund balance – Fund balances in the general fund are reported as unassigned when they are neither restricted, committed, nor assigned. They may be used for any governmental purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spend first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Council has provided otherwise in its commitment or assignment actions.

Government-wide Statements

The government-wide statements classify net position in three components:

- (1) Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, deferred inflows of resources or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- (2) Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- (3) Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures

Following are the City's significant policies related to recognition and reporting of certain revenues and expenditures:

Revenue Availability - Under the *modified accrual basis of accounting*, revenues are considered to be available when they are collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. Syracuse City considers property tax revenues to be "available" if they are collected by the Treasurer's Tax Collection Agency Fund before year-end. Sales taxes are considered revenue when they have been collected at the point of sale. Grants are recognized as revenue when all eligibility requirements have been met. All other revenues are considered to be available and susceptible to accrual if they are received within 60 days after year-end. The City departed from its 60-day revenue availability policy on one transaction in fiscal year 2016. This was for Class B & C road tax revenue, as the State Legislature withheld the last payment for all Utah entities until November 2016 to correct an error in the distribution formula legislation.

Expenditure Recognition - In governmental funds, expenditures are generally recorded when the related liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures, and proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources. When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the City generally uses restricted resources first, then unrestricted resources.

NOTE 2 DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in demand deposits as well as time deposits. Investments are stated at cost, which approximates fair value. Each fund's portion of this pool is displayed as "Cash and Cash Equivalents". Deposits are not collateralized nor are they required to be by State statute.

The City follows the requirements of the Utah Money Management Act (the Act) in handling its depository transactions. The Act requires all deposits of City funds to be in a *qualified depository*, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Utah Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. Utah statutes do not require deposits to be collateralized. Following are discussions of the City's exposure to various risks related to its cash management activities.

Deposits

Custodial credit risk – Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be recovered. The City does not have a formal deposit policy for custodial credit risk. Cash on hand at June 30, 2016 was \$2,382. The carrying amount of deposits was \$551,905 and the bank balance was \$586,606. Of the bank balance, \$250,000 was covered by federal depository insurance and \$336,606 was uninsured and uncollateralized.

SYRACUSE CITY

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Investments

The Money Management Act defines the types of securities authorized as appropriate investments for the City and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities. Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as “first tier” by two nationally recognized statistical rating organizations, one of which must be Moody’s Investors Services or Standard & Poor’s; bankers’ acceptances; obligations of the United States Treasury including bills, notes, and bonds; bonds, notes and other evidence of indebtedness of political subdivision of the State; fixed rate corporate obligations and variable rate securities rated “A” or higher, or the equivalent of “A” or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; and the Utah State Public Treasurer’s Investment Fund (PTIF). The PTIF is not registered with the SEC as an investment company.

The PTIF is authorized and regulated by the Money Management Act, Section 51-7, *Utah Code Annotated, 1953*, as amended. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

As of June 30, 2016, all of the \$13,461,571 of City investments were deposited with the PTIF. This investment matures in less than a year and is not rated.

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

At June 30, 2016, the City had the following cash and investments:

	<u>Carrying Value</u>	<u>Fair Value Factor</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Weighted Avg. Maturity (Years)</u>
Cash on hand and on deposit:					
Cash on hand	\$ 2,382	1	\$ 2,382	N/A	N/A
Cash on deposit	551,905	1	551,905	N/A	N/A
Utah State Treasurer's investment pool accounts	<u>13,461,571</u>	1.004557	<u>\$13,522,916</u>	N/A	N/A
Total cash on hand and deposit	<u><u>\$14,015,858</u></u>		<u><u>\$14,077,203</u></u>		

The fair value measurement of the City’s PTIF investments is considered level 2.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City manages its exposure to declines in fair value by investing mainly in the Utah Public Treasurers Investment Fund and by adhering to the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity of commercial paper to 270 days or less and fixed rate negotiable deposits and corporate obligations to 365 days or less. Maturities of the City’s investments are noted in the table below.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City’s policy for reducing its exposure to credit risk is to comply with the State’s Money Management Act as previously discussed.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The City’s policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar held in the portfolio. The City’s investment in the Utah Public Treasurer’s Investment Fund has no concentration of credit risk.

Custodial credit risk (investments) – For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk. The City’s investment in the Utah Public Treasurer’s Investment Fund has no custodial credit risk.

Components of cash and investments (including interest earning deposits) at June 30, 2016 are as follows:

Cash on hand and on deposit:	
Petty Cash	\$ 2,382
Cash on Deposit	551,905
PTIF Investment	<u>13,461,571</u>
Total cash and investments	<u>\$ 14,015,858</u>
 Cash and investments are included in the accompanying combined statement of net position as follows:	
Cash and cash equivalents	\$ 7,919,235
Restricted cash and cash equivalents	<u>6,096,623</u>
Total cash and investments	<u>\$ 14,015,858</u>

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 ACCOUNTS RECEIVABLE, NET & ALLOWANCE FOR DOUBTFUL ACCOUNTS

Fund Type	Outstanding Balance	Allowance for Doubtful Accounts	Net
Governmental Funds	\$ 133,277	\$ (1,538)	\$ 131,739 *
Enterprise Funds	724,451	(28,903)	695,548
Total	\$ 857,728	\$ (30,441)	\$ 827,287

* Governmental fund net accounts receivable balance includes an ambulance receivable booked at \$78,492. The ambulance receivable was booked net of \$53,610 that management has estimated to be uncollectible and/or not available within the 60 day availability period.

NOTE 4 RESTRICTED ASSETS

Certain assets are restricted to use as follows as of June 30, 2016:

Customer/developer deposits	\$ 217,504
Resident prepaid charges - unearned revenue	48,497
Retainage payable	46,038
Community development	866,010
North Davis Sewer District unremitted impact fee payable	68,376
Impact Fees	4,850,198
Total restricted assets	\$ 6,096,623

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2016, is as follows:

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 7,431,842	\$ 7,047	\$ -	\$ 7,438,889
Construction in progress	1,581,140	3,236,883	(4,265,690)	552,333
Total capital assets, not being depreciated	9,012,982	3,243,930	(4,265,690)	7,991,222
Capital assets, being depreciated				
Land improvements	4,115,536	10,200	-	4,125,736
Buildings and structures	21,405,141	114,081	-	21,519,222
Equipment, vehicles, and furnishings	5,007,827	369,154	(46,000)	5,330,981
Infrastructure	41,037,147	4,724,514	(429,392)	45,332,269
Total capital assets, being depreciated	71,565,651	5,217,949	(475,392)	76,308,208
Less accumulated depreciation for				
Land improvements	(921,630)	(137,383)	-	(1,059,013)
Buildings and structures	(5,802,279)	(714,139)	-	(6,516,418)
Equipment, vehicles, and furnishings	(3,126,816)	(486,506)	46,000	(3,567,322)
Infrastructure	(14,853,352)	(1,380,813)	429,392	(15,804,773)
Total accumulated depreciation	(24,704,077)	(2,718,841)	475,392	(26,947,526)
Total capital assets, being depreciated, net	46,861,574	2,499,108	-	49,360,682
Governmental activities capital assets, net	<u>\$ 55,874,556</u>	<u>\$ 5,743,038</u>	<u>\$ (4,265,690)</u>	<u>\$ 57,351,904</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities	
General government	\$ 302,869
Public safety	562,462
Highways and public works	1,506,706
Parks and recreation	346,804
Total depreciation expense - governmental activities	<u>\$ 2,718,841</u>

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 CAPITAL ASSETS (Continued)

The Business-type Activities property, plant and equipment consist of the following at June 30, 2016:

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
Business-type Activities				
Capital assets, not being depreciated				
Water stock/rights	\$ 10,479,395	\$ 896,250	\$ -	\$ 11,375,645
Land	46,433	-	-	46,433
Construction in process	432,816	2,386,434	(2,206,794)	612,456
Total capital assets, not being depreciated	10,958,644	3,282,684	(2,206,794)	12,034,534
Capital assets, being depreciated				
Land improvements	1,004,658	-	-	1,004,658
Buildings and structures	738,200	-	-	738,200
Equipment, vehicles, and furnishings	1,438,701	185,278	(155,050)	1,468,929
Infrastructure	60,369,163	3,198,790	(148,647)	63,419,306
Total capital assets, being depreciated	63,550,722	3,384,068	(303,697)	66,631,093
Less accumulated depreciation for				
Land improvements	(215,145)	(20,093)	-	(235,238)
Builds and improvements	(195,629)	(23,850)	-	(219,479)
Equipment, vehicles, and furnishings	(963,754)	(111,184)	45,843	(1,029,095)
Infrastructure	(17,515,654)	(1,575,921)	148,651	(18,942,924)
Total accumulated depreciation	(18,890,182)	(1,731,048)	194,494	(20,426,736)
Total capital assets, being depreciated, net	44,660,540	1,653,020	(109,203)	46,204,357
Business-type activities capital assets, net	<u>\$ 55,619,184</u>	<u>\$ 4,935,704</u>	<u>\$ (2,315,997)</u>	<u>\$ 58,238,891</u>

Depreciation expense was charged to functions/programs as follows:

Business-type activities	
Culinary water	\$ 563,444
Sewer	512,518
Secondary water	417,676
Storm water	237,410
Total depreciation expense - business-type activities	<u>\$ 1,731,048</u>

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 DEFERRED INFLOWS

In conjunction with GASB pronouncement 33, “Accounting and Financial Reporting for Nonexchange Transactions” the City has accrued property tax receivable and a deferred outflow in the General Fund and Redevelopment Agency in the amounts of \$1,774,348 and \$74,105, respectively.

Property taxes recorded in the governmental funds are recorded using the modified accrual basis of accounting, wherein revenues are recognized when they are both measurable and available (expected to be received within 30 days). Property taxes attach as an enforceable lien on property as of the first day of January. Taxes are levied on October 1, and then are due and payable at November 30. Since the property tax levied on October 1, 2016 was not expected to be received within 30 days after the year ended June 30, 2016, the City was required to record receivable and deferred inflow of the estimated amount of the total property tax to be levied on October 1, 2016.

NOTE 7 DEVELOPER AND CUSTOMER DEPOSITS

General fund deposits are principally deposits from developers that are held by the City until building projects receive the required City inspections and are in compliance with all City ordinances. As of June 30, 2016, the general fund developer and customer deposits balance held by the City was \$18,075.

Residential utility customers pay a \$75 deposit when they sign up for utilities. This is held by the City until twelve consecutive timely utility payments are made. It is then refunded to the customer. Additionally, the City collects and holds deposits from developers for storm water and fire hydrants. As of June 30, 2016, the customer and developer deposits balances held by the City was \$135,135.

The City also maintains the cash balances for the Storm Water Coalition Trust. As of June 30, 2016 the balance of Storm Water Coalition deposits on had was \$64,294.

NOTE 8 LONG-TERM DEBT

The following is summary of long-term debt transactions of the City for the year ended June 30, 2016:

	Long-term debt payable at June 30, 2015	Additions	Reductions	Long-term debt payable at June 30, 2016	Due within One Year
Governmental activities					
2006 MBA Facilities Bond	\$ 850,000	\$ -	\$ (850,000)	\$ -	\$ -
2012 MBA Fire Station Bond	4,649,000	-	(4,649,000)	-	-
2014 MBA Lease Refunding	6,431,000	-	(6,431,000)	-	-
2016 MBA Lease Refunding	-	11,246,000	-	11,246,000	849,000
Capital Lease - 10 Wheeler	38,141	-	(38,141)	-	-
Capital Lease - Police Vehicles	400,500	-	(97,725)	302,775	99,308
Capital Lease - Street Lights	438,147	-	(74,996)	363,151	80,795
Total bonds and leases payable	12,806,788	11,246,000	(12,140,862)	11,911,926	1,029,103
Compensated absences	471,696	298,168	(258,440)	511,424	101,731
Governmental activity long-term liabilities	<u>\$ 13,278,484</u>	<u>\$ 11,544,168</u>	<u>\$ (12,399,302)</u>	<u>\$ 12,423,350</u>	<u>\$ 1,130,834</u>
Business-type activities					
Compensated absences	\$ 53,046	\$ 36,594	\$ (27,511)	\$ 62,129	\$ 13,194
Business-type activity long-term liabilities	<u>\$ 53,046</u>	<u>\$ 36,594</u>	<u>\$ (27,511)</u>	<u>\$ 62,129</u>	<u>\$ 13,194</u>

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 LONG-TERM DEBT (Continued)

The compensated absence liability of governmental activities is liquidated in the General Fund. Additional information related to these long-term liabilities is found in the following tables including debt service requirements to maturity.

2006 MBA Facilities Bond

On December 20, 2006, the MBA issued \$9,350,000 in Lease Revenue Bonds, Series 2006 for the purpose of financing the construction of a new city hall, a public works addition, and the remodel of public safety structures. These lease revenue bonds are due in annual principal installments through March 1, 2028, with interest payments due semi-annually. The bonds carry an interest rate which ranges from 3.75% to 5%. In lieu of depositing \$715,446 into a debt service reserve account for the life of the loan, the city opted to take out a debt service surety bond at the date of issuance. The security on the bonds is the lease payments between the MBA and the City. This bond was issued at a premium of \$226,191. During 2015, the City issued the 2014 Lease Revenue Refunding bond to complete a partial advanced refunding of this bond. During 2016, the City issued the 2016 Lease Revenue Refunding bond to complete a current refunding of the remainder of this bond.

2012 MBA Fire Station Bond

On March 29, 2012, the MBA refinanced the 2008 Lease Revenue Bond and issued \$5,572,000 in Lease Revenue bonds, Series 2012. The original purpose of the 2008 bonds was to construct a fire station. The refinance provided a debt service savings to the city of \$249,879 and a net savings of \$184,879. The \$5,572,000 lease revenue bonds are due in annual principal installments through May 1, 2028, with interest payments due semi-annually. The bonds carry an interest rate of 0.85% to 4.20%. The security on the bonds are the fire station and lease payments between the MBA and the City. Bond covenants require a debt service coverage ratio (MBA available funds divided by the sum of the MBA's total expenses including principal and interest payments) of at least 1.0 to 1.0. During 2016, the City issued the 2016 Lease Revenue Refunding bond to complete a current refunding of this bond.

2014 MBA Lease Revenue Refunding Bonds

On December 1, 2014, the MBA refinanced part of the 2006 MBA Facilities Bond and issued \$6,481,000 in Lease Revenue Refunding bonds, Series 2014. The original purpose of the 2006 bonds was to construct a new city hall, a public works addition, and the remodel of public safety structures. The refinance provided a debt service savings to the city of \$339,427 and a net savings of \$277,564. The economic gain on this refunding was \$285,708. The lease revenue refunding bonds are due in annual principal installments through April 1, 2028, with interest payments due semi-annually. The bonds carry an interest rate of 0.75% to 3.53%. The security on the bonds are the fire station and lease payments between the MBA and the City. Bond covenants require a debt service coverage ratio (MBA available funds divided by the sum of the MBA's total expenses including principal and interest payments) of at least 1.0 to 1.0. During 2016, the City issued the 2016 Lease Revenue Refunding bond to complete a current refunding of this bond.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 LONG-TERM DEBT (Continued)

2016 MBA Lease Revenue Refunding Bonds

On April 1, 2016, the MBA refinanced the remaining portion of the 2006 MBA Facilities Bond, as well as the 2012 MBA Fire Station Bond and the 2014 MBA Lease Revenue Refunding Bonds, and issued \$11,246,000 in Lease Revenue Refunding bonds, Series 2016. The original purpose of the 2006 bonds was to construct a new city hall, a public works addition, and the remodel of public safety structures; the original purpose of the 2012 bonds was to refund the 2008 bonds, which were used to construct a fire station; and the original purpose of the 2014 bonds was to refund a portion of the 2006 bonds. The refinance provided a debt service savings to the city of \$798,757 and a net savings of \$693,068. The economic gain on this refunding was \$711,440. The lease revenue refunding bonds are due in annual principal installments through April 1, 2028, with interest payments due semi-annually. The bonds carry an interest rate of 1.90%. The security on the bonds are the fire station and lease payments between the MBA and the City. Bond covenants require a debt service coverage ratio (MBA available funds divided by the sum of the MBA's total expenses including principal and interest payments) of at least 1.0 to 1.0.

The annual debt service requirements to maturity for the MBA Lease Revenue Refunding Bonds, Series 2016, as of June 30, 2016, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 849,000	\$ 213,674	\$ 1,062,674
2018	857,000	200,287	1,057,287
2019	876,000	183,778	1,059,778
2020	894,000	167,360	1,061,360
2021	907,000	149,680	1,056,680
2022-2026	4,812,000	479,337	5,291,337
2027-2028	2,051,000	59,464	2,110,464
Total	<u>\$ 11,246,000</u>	<u>\$ 1,453,580</u>	<u>\$ 12,699,580</u>

2012 Capital Lease – 10 Wheeler

On November 1, 2011, the city acquired a 10 Wheeler truck for the Public Works Department through a capital lease agreement for \$183,000. The lease has an interest rate of 2.82% with principal and interest payments of 19,474 due semi-annually each November 1st and May 1st until May of 2016. Collateral held on the lease is the 10 wheeler truck and all additions and attachments made to it. This lease was paid off during 2016.

2014 Capital Lease – Police Vehicles

On November 26, 2014, Syracuse City purchased ten police vehicles and a Code Enforcement truck through a capital lease agreement for \$400,500. The lease has an interest rate of 1.620% with principal and interest payments due annually beginning November 26, 2015 and ending on November 26, 2018. Collateral on this lease is the police vehicles and all additions, and accessories on them. As of June 30, 2016, these assets have a total accumulated depreciation of \$113,475.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 LONG-TERM DEBT (Continued)

2014 Capital Lease – Police Vehicles (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Amounts</u>
2017	\$ 104,213
2018	104,212
2019	<u>104,212</u>
Total minimum lease payments	312,637
Less: amount representing interest	<u>(9,862)</u>
Present value of minimum lease payments	<u>\$ 302,775</u>

2012 Capital Lease – Street Lights

On April 13, 2012, the City acquired street lights through a capital lease for \$620,268. The lease has an interest rate of 3.15% with principal and interest payments due semi-annually beginning April 13, 2012 and ending April 13, 2020. Collateral on this lease is the various light fixtures, poles and equipment in the street, parks, and parking lots. The historical cost on the various light fixtures, poles and equipment in the street, parks, and parking lots purchased with lease proceeds and supplemented with City funds totaled \$680,440. As of June 30, 2016, these assets have a total accumulated depreciation of \$83,165.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Amounts</u>
2017	\$ 91,554
2018	96,653
2019	98,848
2020	<u>102,775</u>
Total minimum lease payments	389,830
Less: amount representing interest	<u>(26,679)</u>
Present value of minimum lease payments	<u>\$ 363,151</u>

These lease agreements qualify for capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments. All amortization expense for the capital leases has been included in depreciation expense.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 COMMITMENTS AND CONTINGENCIES

The City believes that possible contingencies (contingencies incurred but not reported) where the loss cannot be reasonably estimated are immaterial to the financial statements of the City. The City had \$1,148,720 in outstanding construction commitments at June 30, 2016, as follows:

Project	Total Contract	Paid/Accrued to Date	Commitment Outstanding
Rock Creek Park Improvement	\$ 654,893	\$ 285,837	\$ 369,056
Marilyn Acres Phase III	1,038,362	462,505	575,857
FY2016 ADA Ramp Project	112,990	6,209	106,781
Brush Truck for Fire Department	150,000	52,974	97,026
Total Construction Commitments Outstanding	\$ 1,956,245	\$ 807,525	\$ 1,148,720

NOTE 10 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City participates in the Utah Local Government Trust (a public entity risk pool). Since 1985 the City has purchased commercial insurance through the Utah Local Governments Insurance Trust to mitigate the costs of these risks. The City's responsibility extends only to the payment of premiums and deductibles of \$1,000 on general liability claims. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the prior three years.

The table below illustrates the coverage limits and deductibles for the main areas of risks that the City is exposed to:

	Coverage Limits	Deductible
General Liability	\$ 2,000,000	\$ -
Auto Bodily Injury	2,000,000	-
Auto Property Damage	2,000,000	-
Underinsured Motorist	80,000	-
Uninsured Motorist	80,000	-
No Fault Sewer Clean-up	5,000	-
Builders Risk	1,424,973	1,000 *
Building	25,569,600	1,000 *
Building Contents	5,179,950	1,000 *
Contractors Equipment	998,335	1,000 *
Mobile Equipment	169,429	1,000 *
Various Positions Bond	630,000	-
Treasurer's Fidelity Bond	1,000,000	-

* Deductible is per incidence

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 RETIREMENT PLANS

Plan description

Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

- Public Employees Noncontributory Retirement System (Noncontributory System); Firefighters Retirement System (Firefighters System); are multiple employer, cost sharing, public employees retirement systems.
- The Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple-employer, cost sharing, public employees retirement system.
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a multiple-employer, cost sharing, public employees retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The System's defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S. Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 RETIREMENT PLANS (Continued)

Benefits Provided

URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

Summary of Benefits by System

System	Final Average Salary	Years of Service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 Years	30 years any age 25 years any age * 20 years age 60 * 10 years age 62 * 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 Years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4% depending upon employer
Firefighters System	Highest 3 Years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 4%
Tier 2 Public Employees System	Highest 5 Years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.50% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

* with actuarial reductions

**All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPE increases not met may be carried forward to subsequent years.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 RETIREMENT PLANS (Continued)

Contributions

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates are as follows:

Utah Retirement Systems

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates	Employer Rate for 401(k) Plan
Contributory System				
111 Local Governmental Div - Tier 2	N/A	N/A	16.67	1.78
Noncontributory System				
15 Local Governmental Div - Tier 1	N/A	N/A	18.47	N/A
Public Safety Retirement System				
Noncontributory				
45 Other Div A with 2.5% COLA	N/A	N/A	34.04	N/A
Firefighters Retirement System				
31 Other Division A	N/A	15.05	3.99	N/A
Tier 2 DC Only				
211 Local Government	N/A	N/A	6.69	10.00
222 Public Safety	N/A	N/A	11.83	12.00

Tier 2 Rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For fiscal year ended June 30, 2016, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 281,357	N/A
Public Safety System	235,433	\$ -
Firefighters System	20,148	-
Tier 2 Public Employees System	65,153	-
Tier 2 Public Safety and Firefighter	63,847	-
Tier 2 DC Only System	18,135	N/A
Tier 2 Public Safety and Firefighter System	4,439	N/A
Total Contributions	\$ 688,511	\$ -

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 RETIREMENT PLANS (Continued)

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, we reported a net pension asset of \$40,438 and a net pension liability of \$2,030,390.

	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory System	0.1953789%	\$ -	\$ 1,105,549
Public Safety System	0.5163099%	-	924,841
Firefighters System	1.8360255%	33,254	-
Tier 2 Public Employees System	0.0640237%	140	-
Tier 2 Public Safety and Firefighter	0.4820934%	7,044	-
		<u>\$ 40,438</u>	<u>\$ 2,030,390</u>

The net pension asset and liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2015 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2016, we recognized pension expense of \$508,035.

At June 30, 2016 we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,223	\$ 180,292
Change in assumptions	-	180,273
Net difference between projected and actual earnings on pension plan investments	827,601	-
Changes in proportion and differences between contributions and proportionate share of contributions	20,075	25,471
Contributions subsequent to the measurement date	345,669	-
Total	<u>\$ 1,194,567</u>	<u>\$ 386,036</u>

\$345,669 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2015.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 RETIREMENT PLANS (Continued)

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (inflow) of Resources
2016	\$ 97,950
2017	97,950
2018	123,752
2019	173,969
2020	(14,738)
Thereafter	(16,018)
Total	<u>\$ 462,865</u>

Actuarial Assumptions

The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 Percent
Salary increases	3.50 – 10.50 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2015, valuation were based on the results of an actual experience study for the five year period ending December 31, 2013.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 RETIREMENT PLANS (Continued)

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	40%	7.06%	2.82%
Debt securities	20%	0.80%	0.16%
Real assets	13%	5.10%	0.66%
Private equity	9%	11.30%	1.02%
Absolute return	18%	3.15%	0.57%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		5.23%
Inflation			2.75%
Expected Arithmetic Nominal Return			7.98%

The 7.50% assumed investment rate of return is comprised of an inflation rate of 2.75%, a real return of 4.75% that is net of investment expense.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 RETIREMENT PLANS (Continued)

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

System	1 % Decrease (6.50 %)	Discount Rate (7.50 %)	1 % Increase (8.50 %)
Noncontributory System	\$ 2,335,915	\$ 1,105,549	\$ 78,440
Public Safety System	\$ 1,958,423	\$ 924,841	\$ 83,314
Firefighters System	\$ 452,650	\$ (33,254)	\$ (427,908)
Tier 2 Public Employees System	\$ 25,630	\$ (140)	\$ (19,671)
Tier 2 Public Safety and Firefighter	\$ 11,973	\$ (7,044)	\$ (21,647)
Total	\$ 4,784,591	\$ 1,989,952	\$ (307,472)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

Defined Contributions Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457 (b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

Syracuse City participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- *401(k) Plan
- *457 (b) Plan
- *Roth IRA Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plan for fiscal year ended June 30, were as follows:

401 (k) Plan	2016	2015	2014
Employer Contributions	\$43,429	\$30,027	\$24,555
Employee Contributions	\$78,802	\$73,745	\$68,138
457 Plan			
Employer Contributions	\$0	\$0	\$0
Employee Contributions	\$16,967	\$13,799	\$16,284
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$400	\$0	\$0

SYRACUSE CITY **NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 12 REDEVELOPMENT AGENCY

The City Redevelopment Agency (RDA) was established in 1992 to target specific areas of the City that were planned for improvements. The RDA funds identified improvements to the project area properties. These improvements are authorized to be funded using the concept of property tax increment. This funding is provided by taking the property tax dollars that are paid on any increased value of the properties and improvements from the time the project was identified as those properties are developed until the defined amount has been recovered. These improvements act as a publicly funded stimulation to the project area intended to encourage private development of those areas.

The RDA has established three project areas, 1700 South established in 1993 (Town Center), 750 West established in 2004, and the SR-193 Economic Development Area (EDA) established in 2012. The 1700 South and 750 West project areas have a 25 year life while the SR-193 EDA project area has a 15 year life. This is the tenth year that the 1700 South and 750 West project areas have received tax increment payments from the property tax system. This is the second year that the SR-193 EDA project area has received a tax increment from the property tax system.

In accordance with Utah Code Section 17C-1-605(1), the City's Redevelopment Agency is required to disclose the following information for fiscal year 2016:

Property Tax Increment Received:

<u>Project Area 1</u>	
Town Center	\$ 203,565
<u>Project Area 2</u>	
750 West	74,642
<u>Project Area 3</u>	
SR-193	170,711
Total tax increment received by RDA	<u>\$ 448,918</u>

Property Tax Increment Expended:

Administrative costs	\$ 56,408
Reimbursement of site improvements	323,545
Total tax increment expended by RDA	<u>\$ 379,953</u>

NOTE 13 MUNICIPAL BUILDING AUTHORITY

The Municipal Building Authority of Syracuse (the MBA) was established in August 2006 to allow the City to streamline the funding and construction of city facilities. The MBA borrows funding, constructs facilities, and leases them to the City. The lease payments made by the City provide the revenue for the MBA to make the debt payments. Eventually the debt is paid off and the properties are then deeded to the City.

The initial lease agreement between the City and the MBA is for the new City Hall, an addition to the City Shops, and remodeled/enlarged public safety facilities from the existing City Hall and Public Safety buildings. Bonds were issued in December 2006 and construction has been completed on all structures.

A supplemental lease agreement was entered into between the City and the MBA in 2007. This adds a new fire station to the group of buildings constructed on behalf of the City by the MBA. Bonds for the financing of this facility were issued in March 2008 by the MBA and all construction has been completed.

SYRACUSE CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 13 MUNICIPAL BUILDING AUTHORITY (Continued)

On March 29, 2012, the MBA refinanced the 2008 Lease Revenue Bond and issued \$5,572,000 in Lease Revenue Bonds, Series 2012. The original purpose of the 2008 bonds was to construct a fire station. The refinance provided a debt service savings to the City of \$249,879 and a net savings of \$184,879.

During 2015, the MBA issued the 2014 Lease Revenue Refunding bonds to complete a partial advance refunding of 2006 Bond. The original purpose of the 2006 bonds was to construct a new city hall, a public works addition, and the remodel of public safety structures. The refinance provided a debt service savings to the City of \$339,427 and a net savings of \$277,564.

During 2016, the MBA issued the 2016 Lease Revenue Refunding bonds to refund the remainder of the 2006 bond and to refund the 2012 bond and the 2014 bond. The refinance provided a debt service savings to the City of \$798,757 and a net savings of \$693,068.

NOTE 14 TRANSFERS

During the year transfers were made which will not be repaid. These transfers occurred primarily to finance programs, accounted for in one fund, with resources collected in other funds, in accordance with budgetary authorizations. Interfund transfers for the year ended June 30, 2016, are as follows:

	<u>In</u>	<u>Out</u>
Governmental:		
General Fund	\$ -	\$ 1,433,286
RDA	53,286	-
MBA	35,000	-
Capital Projects	1,345,000	-
	<u>\$ 1,433,286</u>	<u>\$ 1,433,286</u>

The General Fund transferred \$53,286 to the RDA Fund as these funds were restricted in purpose for redevelopment activities. The General Fund also transferred \$35,000 in public safety impact fees to the MBA Fund to help pay down the bond on the fire station. Lastly, the General Fund transferred \$1,345,000 to the Capital Projects Fund for the acquisition or construction of capital assets.

NOTE 15 INTERGOVERNMENTAL REVENUE

Intergovernmental revenue for the year ended June 30, 2016, consists of the following:

Utah Class "C" Road Allotment	\$ 823,915	31.10%
Community Development Block Grant	147,000	5.55%
County Highway & Public Transit Portion	71,889	2.71%
Utah Liquor Law Enforcement Grant	16,975	0.64%
Various State and Local Law Enforcement Grants	141,536	5.34%
Various Miscellaneous State Grants	11,133	0.42%
Grant for Chloe's Sunshine Park	-	0.00%
Reimbursement from UDOT for 3000 West Project	1,418,078	53.53%
Miscellaneous Federal Grants	18,763	0.71%
	<u>\$ 2,649,289</u>	<u>100.00%</u>

REQUIRED SUPPLEMENTARY INFORMATION

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>final budget</u>
Revenues				
Taxes:				
Property	\$ 1,819,544	\$ 1,819,544	\$ 1,830,402	\$ 10,858
Fee-in-lieu	160,000	160,000	173,438	13,438
Delinquent prior years'	25,000	25,000	23,319	(1,681)
Sales and use	3,432,000	3,478,000	3,519,586	41,586
Franchise	1,493,500	1,493,500	1,448,961	(44,539)
Licenses and permits	548,250	604,250	815,417	211,167
Intergovernmental	927,200	3,325,845	2,608,490	(717,355)
Fines and forfeitures	241,000	201,000	208,626	7,626
Charges for services	1,599,145	1,743,745	1,907,359	163,614
Impact fees	841,000	841,000	1,204,320	363,320
Management fees	43,901	43,901	30,376	(13,525)
Interest	33,600	33,600	49,737	16,137
Miscellaneous	120,700	136,575	181,544	44,969
Total Revenues	11,284,840	13,905,960	14,001,575	95,615
Expenditures				
Current:				
General government:				
City council	47,959	47,959	40,570	7,389
City court	176,728	186,728	165,984	20,744
Administration	650,659	678,809	634,487	44,322
Community and economic development	631,491	658,976	593,635	65,341
Buildings and grounds	384,331	384,331	351,848	32,483
Information systems	96,000	96,000	96,000	-
Lease payment	1,097,410	1,097,410	1,097,410	-
Total general government	3,084,578	3,150,213	2,979,934	170,279
Public safety:				
Police department	2,466,788	2,456,790	2,378,992	77,798
Fire department	1,709,038	1,709,038	1,615,208	93,830
Total public safety	4,175,826	4,165,828	3,994,200	171,628
Highways and public improvements:				
Streets department	377,833	3,013,330	2,159,291	854,039
Street lighting	55,100	158,100	64,659	93,441
Class "C" roads	750,750	1,494,046	1,309,863	184,183
Total highways and public improv.	1,183,683	4,665,476	3,533,813	1,131,663
Parks and recreation	1,532,658	2,181,331	1,442,742	738,589
Debt service:				
Debt principal	88,500	88,500	74,996	13,504
Debt interest and fees	-	-	13,167	(13,167)
Total debt service	88,500	88,500	88,163	337
Total Expenditures	\$ 10,065,245	\$ 14,251,348	\$ 12,038,852	\$ 2,212,496

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – GENERAL FUND (Continued)
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,219,595</u>	<u>\$ (345,388)</u>	<u>\$ 1,962,723</u>	<u>\$ 2,308,111</u>
Other Financing Sources (Uses)				
Transfer out	<u>(664,544)</u>	<u>(1,464,544)</u>	<u>(1,433,286)</u>	<u>31,258</u>
Total Other Financing Sources (Uses)	<u>(664,544)</u>	<u>(1,464,544)</u>	<u>(1,433,286)</u>	<u>31,258</u>
Net Change in Fund Balance *	<u><u>\$ 555,051</u></u>	<u><u>\$ (1,809,932)</u></u>	<u>529,437</u>	<u><u>\$ 2,339,369</u></u>
Fund Balance, Beginning			<u>5,449,339</u>	
Fund Balance, Ending			<u><u>\$ 5,978,776</u></u>	

* The net change in fund balance for the final budget was included as an appropriation (i.e., spendown) of fund balance.

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL –REDEVELOPMENT AGENCY
SPECIAL REVENUE FUND
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 605,608	\$ 605,608	\$ 395,632	\$ (209,976)
Interest	2,000	2,000	5,822	3,822
Total Revenues	<u>607,608</u>	<u>607,608</u>	<u>401,454</u>	<u>(206,154)</u>
Expenditures				
Redevelopment	<u>690,441</u>	<u>758,427</u>	<u>379,953</u>	<u>378,474</u>
Total Expenditures	<u>690,441</u>	<u>758,427</u>	<u>379,953</u>	<u>378,474</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(82,833)</u>	<u>(150,819)</u>	<u>21,501</u>	<u>172,320</u>
Other Financing Sources (Uses)				
Transfer in	<u>84,514</u>	<u>84,514</u>	<u>53,286</u>	<u>(31,228)</u>
Total Other Financing Sources (Uses)	<u>84,514</u>	<u>84,514</u>	<u>53,286</u>	<u>(31,228)</u>
Net Change in Fund Balance *	<u>\$ 1,681</u>	<u>\$ (66,305)</u>	<u>74,787</u>	<u>\$ 141,092</u>
Fund Balance, Beginning			<u>791,223</u>	
Fund Balance, Ending			<u>\$ 866,010</u>	

* The net change in fund balance was included in the budget as an appropriation (i.e., spendown) of fund balance.

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL –MUNICIPAL BUILDING AUTHORITY
SPECIAL REVENUE FUND
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>final budget</u>
Revenues				
Lease revenue	\$ 1,097,410	\$ 1,097,410	\$ 1,097,410	\$ -
Interest	400	400	890	490
Total Revenues	<u>1,097,810</u>	<u>1,097,810</u>	<u>1,098,300</u>	<u>490</u>
Expenditures				
Miscellaneous	8,510	174,610	118,110	56,500
Debt service:				
Principal	794,000	11,930,000	11,930,000	-
Interest	336,300	336,300	335,986	314
Total Expenditures	<u>1,138,810</u>	<u>12,440,910</u>	<u>12,384,096</u>	<u>56,814</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(41,000)</u>	<u>(11,343,100)</u>	<u>(11,285,796)</u>	<u>57,304</u>
Other Financing Sources (Uses)				
Transfer in	35,000	35,000	35,000	-
Issuance of debt	-	11,300,000	11,246,000	(54,000)
Total Other Financing Sources (Uses)	<u>35,000</u>	<u>11,335,000</u>	<u>11,281,000</u>	<u>(54,000)</u>
Net Change in Fund Balance *	<u>\$ (6,000)</u>	<u>\$ (8,100)</u>	<u>(4,796)</u>	<u>\$ 3,304</u>
Fund Balance, Beginning			<u>8,466</u>	
Fund Balance, Ending			<u>\$ 3,670</u>	

* The net change in fund balance was included in the budget as an appropriation (i.e., spendown) of fund balance.

SYRACUSE CITY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
UTAH RETIREMENT SYSTEMS
December 31, 2015
Last 10 years*

	As of year ended December 31,	Noncontributory Retirement System	Public Safety System	Firefighters Retirement System	Tier 2 Public Employees Retirement System	Tier 2 Public Safety and Firefighters Retirement
Proportion of the net pension liability (asset)	2015	0.1953789%	0.5163099%	1.8360255%	0.0640237%	0.4820934%
	2014	0.2011432%	0.5009609%	1.8434027%	0.0772345%	0.5041142%
Proportionate share of the net pension liability (asset)	2015	\$ 1,105,549	\$ 924,841	\$ (33,254)	\$ (140)	\$ (7,044)
	2014	873,411	630,000	(105,192)	(2,341)	(7,457)
Covered-employee payroll	2015	\$ 1,514,846	\$ 682,770	\$ 576,037	\$ 413,555	\$ 286,855
	2014	1,586,756	690,281	564,673	378,986	208,314
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	2015	72.98%	135.45%	-5.77%	-0.03%	-2.46%
	2014	55.00%	91.30%	-18.60%	-0.60%	-3.60%
Plan fiduciary net position as a percentage percentage of its covered-employee payroll	2015	87.8%	87.1%	101.0%	100.2%	110.7%
	2014	90.2%	90.5%	103.5%	103.5%	120.5%

* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the net pension liability (asset) in their RSI. The schedule will need to be built prospectively. The schedule above is only for the years listed.

**SYRACUSE CITY
SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEMS
December 31, 2015**

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required Contributions	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2016	\$ 281,357	\$ 281,357	\$ -	\$ 1,527,813	18.42%
	2015	281,375	281,375	-	1,527,768	18.42%
	2014	277,955	277,955	-	1,607,649	17.29%
Public Safety System	2016	\$ 235,433	\$ 235,433	\$ -	\$ 691,637	34.04%
	2015	225,485	225,485	-	662,412	34.04%
	2014	243,950	243,950	-	756,815	32.23%
Firefighters System	2016	\$ 20,148	\$ 20,148	\$ -	\$ 588,108	3.43%
	2015	18,699	18,699	-	570,967	3.28%
	2014	14,178	14,178	-	558,850	2.54%
Tier 2 Public Employees System*	2016	\$ 65,153	\$ 65,153	\$ -	\$ 436,974	14.91%
	2015	62,827	62,827	-	420,529	14.94%
	2014	45,330	45,330	-	324,016	13.99%
Tier 2 Public Safety and Firefighter System*	2016	\$ 63,847	\$ 63,847	\$ -	\$ 303,850	21.01%
	2015	51,398	51,398	-	245,600	20.93%
	2014	32,673	32,673	-	173,528	18.83%
Tier 2 Public Employees DC Only System*	2016	\$ 18,135	\$ 18,135	\$ -	\$ 271,072	6.69%
	2015	11,994	11,994	-	178,476	6.72%
	2014	8,797	8,797	-	157,657	5.58%
Tier 2 Public Safety and Firefighter DC Only System*	2016	\$ 4,439	\$ 4,439	\$ -	\$ 37,520	11.83%
	2015	1,512	1,512	-	12,780	11.83%
	2014	-	-	-	-	0.00%

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems.
Tier 2 systems were created effective July 1, 2011.

Paragraph 81.b of GASB 68 requires employers to disclose a 10 year history of contributions in RSI. The schedule above is only for the years listed.
Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative issues.

SYRACUSE CITY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

Changes of Assumptions

The following assumption changes were adopted from the most recent actuarial experience study. There was a decrease in the wage inflation assumption for all employee groups from 3.75% to 3.50%. Also there was a modification to the rate of salary increases for most groups. The payroll growth assumption was decreased from 3.5% to 3.25%. There was an improvement in the post retirement mortality assumption for female educators and minor adjustments to the pre retirement mortality assumption.

There were additional changes to certain demographic assumptions that generally resulted in: (1) more members are anticipated to terminate employment prior to retirement, (2) slightly fewer members are expected to become disabled, and (3) members are expected to retire at a slightly later age.

SUPPLEMENTAL INFORMATION

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – CAPITAL PROJECTS FUND
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>final budget</u>
Revenues				
Intergovernmental revenue	\$ 240,299	\$ 40,800	\$ 40,799	\$ (1)
Interest	-	-	1,270	1,270
Capital contributions	-	-	35	35
Total Revenues	<u>240,299</u>	<u>40,800</u>	<u>42,104</u>	<u>1,304</u>
Expenditures				
Capital outlay	704,498	662,450	496,789	165,661
Debt service:				
Principal	145,000	145,000	135,864	9,136
Interest	-	-	7,297	(7,297)
Total Expenditures	<u>849,498</u>	<u>807,450</u>	<u>639,950</u>	<u>167,500</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(609,199)</u>	<u>(766,650)</u>	<u>(597,846)</u>	<u>168,804</u>
Other Financing Sources (Uses)				
Issuance of debt	-	-	-	-
Transfer in	545,000	1,345,000	1,345,000	-
Total Other Financing Sources (Uses)	<u>545,000</u>	<u>1,345,000</u>	<u>1,345,000</u>	<u>-</u>
Net Change in Fund Balance *	<u>\$ (64,199)</u>	<u>\$ 578,350</u>	<u>747,154</u>	<u>\$ 168,804</u>
Fund Balance, Beginning			<u>77,165</u>	
Fund Balance, Ending			<u>\$ 824,319</u>	

* The net change in fund balance was included in the budget as an appropriation (i.e., spendown) of fund balance.

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION – BUDGET AND ACTUAL – CULINARY WATER FUND
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>final budget</u>
Operating Revenues				
Charges for services:				
Monthly service charge	\$ 1,722,000	\$ 1,722,000	\$ 1,795,936	\$ 73,936
Connection and servicing fees	80,275	80,275	101,441	21,166
Intergovernmental	-	135,000	152,311	17,311
Miscellaneous	500	500	26,743	26,243
Total Operating Revenues	<u>1,802,775</u>	<u>1,937,775</u>	<u>2,076,431</u>	<u>138,656</u>
Operating Expenses				
Salaries, wages, and benefits	325,128	325,128	299,972	25,156
Operations and maintenance	694,033	744,033	668,954	75,079
Professional services	445,400	445,400	445,400	-
Depreciation	541,000	565,000	563,444	1,556
Miscellaneous	1,500	1,500	51	1,449
Total Operating Expenses	<u>2,007,061</u>	<u>2,081,061</u>	<u>1,977,821</u>	<u>103,240</u>
Operating Income (Loss)	<u>(204,286)</u>	<u>(143,286)</u>	<u>98,610</u>	<u>241,896</u>
Nonoperating Income (Expense)				
Interest income	7,000	7,000	9,589	2,589
Gain (loss) from sale of capital assets	143,000	143,000	39,722	(103,278)
Total Nonoperating Income (Expense)	<u>150,000</u>	<u>150,000</u>	<u>49,311</u>	<u>(100,689)</u>
Income (loss) before capital contributions	<u>(54,286)</u>	<u>6,714</u>	<u>147,921</u>	<u>141,207</u>
Capital Contributions:				
Impact fees	238,600	238,600	314,979	76,379
Developer contributions	-	-	299,427	299,427
Change in Net Position *	<u>\$ 184,314</u>	<u>\$ 245,314</u>	<u>762,327</u>	<u>\$ 517,013</u>
Net Position, Beginning			<u>16,332,274</u>	
Fund Balance, Ending			<u>\$ 17,094,601</u>	

* The change in net position was included in the budget as an appropriation (i.e., spendown) of net position.

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION – BUDGET AND ACTUAL – SEWER FUND
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>final budget</u>
Operating Revenues				
Charges for services:				
Monthly service charge	\$ 1,830,000	\$ 1,850,000	\$ 1,899,327	\$ 49,327
Connection and servicing fees	74,100	74,100	91,500	17,400
Miscellaneous	7,781	7,781	9,735	1,954
Total Operating Revenues	<u>1,911,881</u>	<u>1,931,881</u>	<u>2,000,562</u>	<u>68,681</u>
Operating Expenses				
Salaries, wages, and benefits	162,110	162,110	158,566	3,544
Operations and maintenance	115,477	115,477	96,257	19,220
Professional services	1,386,450	1,406,450	1,407,814	(1,364)
Depreciation	520,000	520,000	512,518	7,482
Miscellaneous	1,000	1,000	417	583
Total Operating Expenses	<u>2,185,037</u>	<u>2,205,037</u>	<u>2,175,572</u>	<u>29,465</u>
Operating Income (Loss)	<u>(273,156)</u>	<u>(273,156)</u>	<u>(175,010)</u>	<u>98,146</u>
Nonoperating Income (Expense)				
Interest income	4,000	4,000	10,275	6,275
Total Nonoperating Income (Expense)	<u>4,000</u>	<u>4,000</u>	<u>10,275</u>	<u>6,275</u>
Income (loss) before capital contributions	<u>(269,156)</u>	<u>(269,156)</u>	<u>(164,735)</u>	<u>104,421</u>
Capital Contributions:				
Developer contributions	-	-	226,649	226,649
Change in Net Position *	<u>\$ (269,156)</u>	<u>\$ (269,156)</u>	<u>61,914</u>	<u>\$ 331,070</u>
Net Position, Beginning			<u>14,093,050</u>	
Fund Balance, Ending			<u>\$ 14,154,964</u>	

* The change in net position was included in the budget as an appropriation (i.e., spendown) of net position.

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION – BUDGET AND ACTUAL – GARBAGE FUND
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Operating Revenues				
Charges for services:				
Monthly service charge	\$ 1,240,000	\$ 1,240,000	\$ 1,262,626	\$ 22,626
Miscellaneous	24,700	24,700	29,900	5,200
Total Operating Revenues	<u>1,264,700</u>	<u>1,264,700</u>	<u>1,292,526</u>	<u>27,826</u>
Operating Expenses				
Salaries, wages, and benefits	55,346	55,346	52,353	2,993
Operations and maintenance	68,888	92,388	92,129	259
Professional services	1,132,700	1,132,700	1,135,500	(2,800)
Miscellaneous	500	500	-	500
Total Operating Expenses	<u>1,257,434</u>	<u>1,280,934</u>	<u>1,279,982</u>	<u>952</u>
Operating Income (Loss)	<u>7,266</u>	<u>(16,234)</u>	<u>12,544</u>	<u>28,778</u>
Nonoperating Income (Expense)				
Interest income	1,500	1,500	2,854	1,354
Total Nonoperating Income (Expense)	<u>1,500</u>	<u>1,500</u>	<u>2,854</u>	<u>1,354</u>
Change in Net Position *	<u>\$ 8,766</u>	<u>\$ (14,734)</u>	<u>15,398</u>	<u>\$ 30,132</u>
Net Position, Beginning			<u>431,825</u>	
Fund Balance, Ending			<u>\$ 447,223</u>	

* The change in net position was included in the budget as an appropriation (i.e., spendown) of net position.

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION – BUDGET AND ACTUAL – SECONDARY WATER FUND
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>final budget</u>
Operating Revenues				
Charges for services:				
Monthly service charge	\$ 1,479,300	\$ 1,479,300	\$ 1,485,311	\$ 6,011
Connection and servicing fees	59,280	59,280	94,700	35,420
Miscellaneous	10,000	10,000	3,525	(6,475)
Total Operating Revenues	<u>1,548,580</u>	<u>1,548,580</u>	<u>1,583,536</u>	<u>34,956</u>
Operating Expenses				
Salaries, wages, and benefits	254,275	254,275	237,687	16,588
Operations and maintenance	617,669	627,669	500,981	126,688
Professional services	300,000	310,000	309,548	452
Depreciation	450,000	450,000	417,676	32,324
Capital outlay	465,000	540,000	-	540,000
Miscellaneous	500	500	-	500
Total Operating Expenses	<u>2,087,444</u>	<u>2,182,444</u>	<u>1,465,892</u>	<u>716,552</u>
Operating Income (Loss)	<u>(538,864)</u>	<u>(633,864)</u>	<u>117,644</u>	<u>751,508</u>
Nonoperating Income (Expense)				
Interest income	2,800	2,800	9,382	6,582
Total Nonoperating Income (Expense)	<u>2,800</u>	<u>2,800</u>	<u>9,382</u>	<u>6,582</u>
Income (loss) before capital contributions	<u>(536,064)</u>	<u>(631,064)</u>	<u>127,026</u>	<u>758,090</u>
Capital Contributions:				
Impact fees	247,000	247,000	394,059	147,059
Developer contributions	-	-	1,102,106	1,102,106
Change in Net Position *	<u>\$ (289,064)</u>	<u>\$ (384,064)</u>	<u>1,623,191</u>	<u>\$ 2,007,255</u>
Net Position, Beginning			<u>22,462,483</u>	
Fund Balance, Ending			<u>\$ 24,085,674</u>	

* The change in net position was included in the budget as an appropriation (i.e., spendown) of net position.

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION – BUDGET AND ACTUAL – STORM WATER FUND
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>final budget</u>
Operating Revenues				
Charges for services:				
Monthly service charge	\$ 413,000	\$ 413,000	\$ 415,424	\$ 2,424
Intergovernmental	-	4,500	4,295	
Miscellaneous	1,000	1,000	750	(250)
Total Operating Revenues	<u>414,000</u>	<u>418,500</u>	<u>420,469</u>	<u>2,174</u>
Operating Expenses				
Salaries, wages, and benefits	223,115	223,115	179,842	43,273
Operations and maintenance	179,477	179,477	126,235	53,242
Depreciation	220,000	228,000	237,410	(9,410)
Capital outlay	-	1,206,000	-	1,206,000
Miscellaneous	500	500	-	500
Total Operating Expenses	<u>623,092</u>	<u>1,837,092</u>	<u>543,487</u>	<u>1,293,605</u>
Operating Income (Loss)	<u>(209,092)</u>	<u>(1,418,592)</u>	<u>(123,018)</u>	<u>1,295,779</u>
Nonoperating Income (Expense)				
Interest income	2,000	2,000	6,718	4,718
Total Nonoperating Income (Expense)	<u>2,000</u>	<u>2,000</u>	<u>6,718</u>	<u>4,718</u>
Income (loss) before capital contributions	<u>(207,092)</u>	<u>(1,416,592)</u>	<u>(116,300)</u>	<u>1,300,497</u>
Capital Contributions:				
Impact fees	296,400	296,400	625,443	329,043
Developer contributions	-	19,500	283,933	264,433
Change in Net Position *	<u>\$ 89,308</u>	<u>\$ (1,100,692)</u>	<u>793,076</u>	<u>\$ 1,893,973</u>
Net Position, Beginning			<u>7,567,470</u>	
Fund Balance, Ending			<u>\$ 8,360,546</u>	

* The change in net position was included in the budget as an appropriation (i.e., spendown) of net position.

SYRACUSE CITY
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION – BUDGET AND ACTUAL – INFORMATION TECHNOLOGY FUND
For The Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>final budget</u>
Operating Revenues				
Charges for services:				
Monthly service charge	\$ 240,000	\$ 240,000	\$ 240,000	\$ -
Total Operating Revenues	<u>240,000</u>	<u>240,000</u>	<u>240,000</u>	<u>-</u>
Operating Expenses				
Salaries, wages, and benefits	149,556	149,556	141,310	8,246
Operations and maintenance	<u>70,425</u>	<u>70,425</u>	<u>50,828</u>	<u>19,597</u>
Total Operating Expenses	<u>219,981</u>	<u>219,981</u>	<u>192,138</u>	<u>27,843</u>
Operating Income (Loss)	<u>20,019</u>	<u>20,019</u>	<u>47,862</u>	<u>27,843</u>
Nonoperating Income (Expense)				
Interest income	<u>150</u>	<u>150</u>	<u>497</u>	<u>347</u>
Total Nonoperating Income (Expense)	<u>150</u>	<u>150</u>	<u>497</u>	<u>347</u>
Change in Net Position	<u>\$ 20,169</u>	<u>\$ 20,169</u>	<u>48,359</u>	<u>\$ 28,190</u>
Net Position, Beginning			14,380	
Fund Balance, Ending			<u>\$ 62,739</u>	

STATISTICAL SECTION

STATISCIAL SECTION
INTRODUCTION
(Unaudited)

This part of Syracuse City Corporation's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
FINANCIAL TRENDS	74
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
REVENUE CAPACITY	85
<i>These schedules contain information to help the reader assess the City's most significant local revenue sources, the sales tax and property tax.</i>	
DEBT CAPACITY	91
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
DEMOGRAPHICS AND ECONOMIC INFORMATION	94
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
OPERATING INFORMATION	96
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**SYRACUSE CITY
GOVERNMENT-WIDE REVENUES
Last Ten Fiscal Years**

Fiscal Year	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Unrestricted Investment Earnings	Miscellaneous	Total
2015-16	\$ 10,108,043	\$ 219,497	\$ 7,893,995	\$ 7,391,338	\$ 97,034	\$ 291,919	\$ 26,001,826
2014-15	8,998,907	134,091	6,386,115	6,907,841	73,044	209,194	22,709,192
2013-14	8,665,729	159,315	3,277,186	6,702,622	62,450	307,307	19,174,609
2012-13	10,176,102	1,005,661	1,262,145	6,528,978	72,820	112,014	19,157,720
2011-12	8,782,781	890,117	732,621	6,349,093	68,227	238,929	17,061,768
2010-11	8,410,723	-	5,493,654	5,959,508	32,237	600,118	20,496,240
2009-10	7,668,076	115,149	5,107,748	5,667,730	31,268	1,025,895	19,615,866
2008-09	7,485,359	255,432	-	5,597,745	198,054	707,227	14,243,817
2007-08	6,986,464	-	144,000	5,340,527	582,373	840,803	13,894,167
2006-07	5,920,326	865,103	386,843	4,132,221	679,690	2,935,145	14,919,328

SYRACUSE CITY
GOVERNMENT-WIDE EXPENSES BY FUNCTION
Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Highways and Public Improvements ¹	Parks and Recreation	Interest on Long-Term Debt	Culinary Water Utility ²	Sewer Utility ²	Garbage Utility ²	Secondary Water Utility	Storm Water Utility ¹	Total
2015-16	\$ 2,631,121	\$ 4,399,653	\$ 2,757,888	\$ 1,303,964	\$ 335,309	\$ 1,963,462	\$ 2,173,179	\$ 1,277,589	\$ 1,458,713	\$ 541,094	\$ 18,841,972
2014-15	2,240,878	3,543,704	3,392,400	905,768	399,150	1,854,520	1,837,672	1,226,319	1,336,431	569,462	17,306,304
2013-14	2,400,600	4,334,274	1,913,320	1,302,089	523,181	1,739,124	1,554,024	1,204,410	1,405,628	557,996	16,934,646
2012-13	2,743,962	4,349,143	1,982,422	1,109,490	559,958	1,694,016	1,165,527	1,191,793	1,383,551	449,994	16,629,856
2011-12	2,378,027	3,923,458	1,907,183	1,241,485	687,182	1,656,304	1,018,178	1,140,839	1,297,447	424,943	15,675,046
2010-11	2,093,864	3,843,940	2,114,678	1,298,632	684,474	1,509,611	1,012,749	1,148,287	1,158,364	426,122	15,290,721
2009-10	1,663,029	3,723,979	2,121,006	1,083,622	696,289	1,296,665	992,129	1,072,037	1,084,825	536,507	14,270,088
2008-09	2,106,972	3,944,700	3,809,582	1,159,929	783,675	1,315,738	899,303	1,071,645	1,139,891	-	16,231,435
2007-08	1,685,040	3,463,722	3,898,914	1,004,514	248,078	3,331,631	-	-	1,109,224	-	14,741,123
2006-07	1,741,641	2,677,933	1,994,719	1,091,158	198,925	3,043,470	-	-	846,015	-	11,593,861

Note:

¹ Prior to FY 2010, the Storm Water Utility Fund was combined with Public Works.

² Prior to FY 2009, the Sewer Utility Fund and Garbage Utility Fund were combined with the Culinary Water Utility Fund.

SYRACUSE CITY
GENERAL GOVERNMENTAL REVENUES AND OTHER FINANCING SOURCES
Last Ten Fiscal Years

FISCAL YEAR	TAXES ⁴	LICENSES AND PERMITS	IMPACT FEES	INTERGOV- ERNMENTAL	MANAGEMENT AND ADMIN FEES ^{1, 2, 3}	CHARGES FOR SERVICES	FINES AND FORFEITURES	INTEREST AND MISC	TOTAL
2015-16	\$ 6,995,706	\$ 815,417	\$ 1,204,320	\$ 2,608,490	\$ 30,376	\$ 1,907,359	\$ 208,626	\$ 231,281	\$ 14,001,575
2014-15	5,232,588	566,892	687,651	1,943,565	25,427	1,633,275	220,508	99,130	10,409,036
2013-14	5,015,482	591,877	1,002,799	881,459	24,538	1,705,281	224,033	190,640	9,636,109
2012-13	4,849,920	533,524	745,473	1,005,661	659,134	1,356,488	281,811	138,302	9,570,313
2011-12	4,636,245	350,229	337,850	1,009,609	613,025	1,082,134	342,441	97,415	8,468,948
2010-11	4,333,403	245,223	226,713	845,653	642,000	996,036	331,246	92,583	7,712,857
2009-10	4,199,180	321,654	482,160	821,797	-	907,170	295,248	67,410	7,094,619
2008-09	4,253,282	357,501	388,245	888,120	-	675,457	261,720	138,000	6,962,325
2007-08	4,097,863	344,859	589,458	1,090,769	-	602,888	218,843	183,278	7,127,958
2006-07	3,132,601	819,988	1,547,289	1,231,946	-	579,603	208,880	267,987	7,788,294

Note:

General government is limited to the City's general fund.

¹ Beginning in FY 2014, administrative fees charged to utilities funds were shown as a credit to expense instead of a revenue in the general fund.

² Beginning in FY 2011, administrative fees charged to utilities funds were shown as a revenue instead of an offset to expenditures in the general fund.

³ Beginning in FY 2011, a management fee was charged to the redevelopment fund. This is included in management and admin fees above.

⁴ Beginning in FY 2016, franchise tax was recorded in the general fund instead of the capital projects fund.

SYRACUSE CITY
GENERAL GOVERNEMENT EXPENDITURES (Budget Basis) AND OTHER USES BY FUNCTION
Last Ten Fiscal Years

Fiscal Year	General Government ^{3,4}	Public Safety	Highways and Public Improvements	Parks and Recreation	Capital Outlay ²	Debt Service	Other Financing Uses ¹	Total
2015-16	\$ 1,882,524	\$ 3,994,200	\$ 3,533,813	\$ 1,442,742	\$ -	\$ 1,185,573	\$ 1,433,286	\$ 13,472,138
2014-15	1,793,488	3,729,667	3,431,863	1,136,332	-	1,109,642	78,932	11,279,924
2013-14	1,690,942	3,786,705	2,381,973	1,044,047	-	271,256	41,553	9,216,476
2012-13	2,112,668	3,817,012	2,170,559	1,050,209	-	260,128	-	9,410,576
2011-12	2,012,733	3,462,242	1,121,517	956,884	-	192,781	200,000	7,946,157
2010-11	1,689,503	3,369,555	1,282,843	1,025,804	-	192,669	14,567	7,574,941
2009-10	1,174,765	3,221,583	1,136,292	955,982	-	192,980	124,000	6,805,602
2008-09	1,576,733	3,303,895	1,311,144	923,204	1,088,081	396,163	114,500	8,713,720
2007-08	1,522,231	3,186,613	2,172,362	916,204	825,112	362,768	603,377	9,588,667
2006-07	1,587,366	2,567,880	689,921	838,031	1,919,101	366,068	107,465	8,075,832

Notes:

General government is limited to the City's general fund.

¹ Other financing uses includes transfers to other funds.

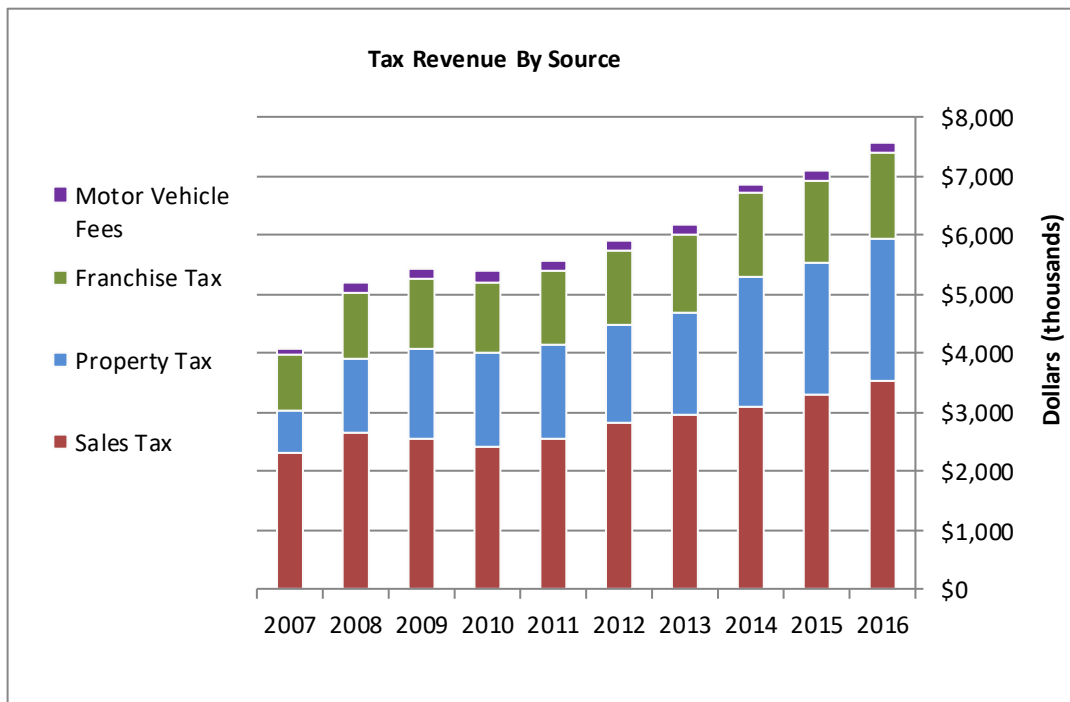
² Beginning in FY 2010, capital outlay expenditures are included under the function for which they were acquired.

³ Beginning in FY 2011, administrative fees charged to utilities funds were shown as a revenue instead of an offset to expenditures in the general fund.

⁴ Beginning in FY 2014, administrative fees charged to utilities funds were shown as a credit to expense instead of a revenue in the general fund.

SYRACUSE CITY
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Fiscal Year	Sales Tax	Property Tax	Franchise Tax	Motor Vehicle Fees	Total
2016	\$ 3,520	\$ 2,423	\$ 1,449	\$ 173	\$ 7,565
2015	3,309	2,230	1,368	169	7,076
2014	3,096	2,210	1,396	158	6,860
2013	2,953	1,728	1,338	169	6,188
2012	2,820	1,650	1,267	166	5,903
2011	2,551	1,606	1,229	177	5,563
2010	2,429	1,569	1,209	202	5,409
2009	2,543	1,535	1,165	175	5,418
2008	2,655	1,265	1,107	178	5,205
2007	2,299	719	956	114	4,088



SYRACUSE CITY
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities										
Net investment in capital assets	\$ 45,648	\$ 43,068	\$ 40,092	\$ 40,992	\$ 40,565	\$ 41,578	\$ 39,654	\$ 42,374	\$ 38,986	\$ 27,251
Restricted	4,145	3,107	3,792	2,298	1,771	811	727	867	6,675	9,615
Unrestricted	1,939	1,682	2,626	1,618	1,812	811	314	726	672	514
Total governmental activities net position	<u>\$ 51,732</u>	<u>\$ 47,857</u>	<u>\$ 46,510</u>	<u>\$ 44,908</u>	<u>\$ 44,148</u>	<u>\$ 43,200</u>	<u>\$ 40,695</u>	<u>\$ 43,967</u>	<u>\$ 46,333</u>	<u>\$ 37,380</u>
Business-type activities										
Net investment in capital assets	\$ 58,239	\$ 55,619	\$ 52,792	\$ 45,048	\$ 43,411	\$ 43,820	\$ 41,712	\$ 35,180	\$ 34,458	\$ 27,598
Restricted	1,571	1,833	1,530	801	1,042	970	714	136	900	1,464
Unrestricted	4,388	3,461	4,156	4,867	5,005	4,229	3,892	2,385	1,964	2,797
Total business-type activities net position	<u>\$ 64,198</u>	<u>\$ 60,913</u>	<u>\$ 58,478</u>	<u>\$ 50,716</u>	<u>\$ 49,458</u>	<u>\$ 49,019</u>	<u>\$ 46,318</u>	<u>\$ 37,701</u>	<u>\$ 37,322</u>	<u>\$ 31,859</u>
Primary government										
Net investment in capital assets	\$ 103,887	\$ 98,687	\$ 92,884	\$ 86,040	\$ 83,976	\$ 85,398	\$ 81,366	\$ 77,554	\$ 73,444	\$ 54,849
Restricted	5,716	4,940	5,322	3,099	2,813	1,781	1,441	1,003	7,575	11,079
Unrestricted	6,327	5,143	6,782	6,485	6,817	5,040	4,206	3,111	2,636	3,311
Total primary government net position	<u>\$ 115,930</u>	<u>\$ 108,770</u>	<u>\$ 104,988</u>	<u>\$ 95,624</u>	<u>\$ 93,606</u>	<u>\$ 92,219</u>	<u>\$ 87,013</u>	<u>\$ 81,668</u>	<u>\$ 83,655</u>	<u>\$ 69,239</u>

SYRACUSE CITY
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Page 1 of 2

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Governmental activities:										
General government	\$ 2,631	\$ 2,241	\$ 2,401	\$ 2,744	\$ 2,378	\$ 2,094	\$ 1,663	\$ 2,107	\$ 1,685	\$ 1,741
Public safety	4,400	3,544	4,334	4,349	3,924	3,844	3,724	3,945	3,464	2,678
Highways and public improvements ¹	2,758	3,392	1,913	1,983	1,907	2,115	2,121	3,809	3,899	1,995
Parks, recreation, and public property	1,304	906	1,302	1,109	1,241	1,299	1,084	1,160	1,004	1,091
Interest on long-term debt	335	399	523	560	687	684	696	784	248	199
Total governmental activities expenses	11,428	10,482	10,473	10,745	10,137	10,036	9,288	11,805	10,300	7,704
Business-type activities:										
Culinary water utility	\$ 1,963	\$ 1,855	\$ 1,739	\$ 1,694	\$ 1,656	\$ 1,510	\$ 1,297	\$ 1,316	\$ 3,332	\$ 3,044
Sewer utility	2,173	1,838	1,554	1,165	1,018	1,013	992	899	-	-
Garbage utility	1,278	1,226	1,204	1,192	1,141	1,148	1,072	1,071	-	-
Secondary water utility	1,459	1,336	1,406	1,384	1,298	1,158	1,085	1,140	1,109	846
Storm water utility	541	569	558	450	425	426	536	-	-	-
Total business-type activities expenses	7,414	6,824	6,461	5,885	5,538	5,255	4,982	4,426	4,441	3,890
Total primary government expenses	<u>\$ 18,842</u>	<u>\$ 17,306</u>	<u>\$ 16,934</u>	<u>\$ 16,630</u>	<u>\$ 15,675</u>	<u>\$ 15,291</u>	<u>\$ 14,270</u>	<u>\$ 16,231</u>	<u>\$ 14,741</u>	<u>\$ 11,594</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,671	\$ 1,279	\$ 1,337	\$ 1,782	\$ 1,540	\$ 1,397	\$ 809	\$ 808	\$ 730	\$ 1,291
Public safety	494	467	506	549	476	433	205	296	275	127
Highways and public improvements	237	172	149	389	245	804	924	1,500	1,446	41
Parks and recreation	560	551	571	946	645	476	436	288	415	149
Operating grants and contributions	220	134	159	1,006	890	-	115	91	-	865
Capital grants and contributions	4,491	3,420	1,826	489	499	2,946	2,771	-	44	387
Total governmental activities program revenues	7,673	6,023	4,548	5,161	4,295	6,056	5,260	2,983	2,910	2,860
Business-type activities:										
Charges for services:										
Culinary water utility ²	\$ 1,897	\$ 1,806	\$ 1,756	\$ 1,896	\$ 1,717	\$ 1,528	\$ 1,549	\$ 1,343	\$ 3,030	\$ 3,315
Sewer utility ²	1,991	1,593	1,303	1,136	1,011	986	989	845	-	-
Garbage utility ²	1,263	1,222	1,229	1,256	1,225	1,170	1,137	1,113	-	-
Secondary water utility	1,580	1,505	1,464	1,646	1,490	1,331	1,335	1,292	1,090	997
Storm water utility ¹	415	404	351	576	434	286	284	-	-	-
Capital grants and contributions	3,403	2,966	1,451	773	233	2,547	2,337	165	100	-
Total business-type activities program revenues	10,549	9,496	7,554	7,283	6,110	7,848	7,631	4,758	4,220	4,312
Total primary government program revenues	<u>\$ 18,222</u>	<u>\$ 15,519</u>	<u>\$ 12,102</u>	<u>\$ 12,444</u>	<u>\$ 10,405</u>	<u>\$ 13,904</u>	<u>\$ 12,891</u>	<u>\$ 7,741</u>	<u>\$ 7,130</u>	<u>\$ 7,172</u>

SYRACUSE CITY
CHANGES IN NET POSITION
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Page 2 of 2

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net (expense)/revenue:										
Governmental activities	\$ (3,755)	\$ (4,459)	\$ (5,925)	\$ (5,584)	\$ (5,842)	\$ (3,980)	\$ (4,028)	\$ (8,822)	\$ (7,390)	\$ (4,844)
Business-type activities	3,135	2,672	1,093	1,398	572	2,593	2,649	332	(221)	422
Total primary government net expense	<u>\$ (620)</u>	<u>\$ (1,787)</u>	<u>\$ (4,832)</u>	<u>\$ (4,186)</u>	<u>\$ (5,270)</u>	<u>\$ (1,387)</u>	<u>\$ (1,379)</u>	<u>\$ (8,490)</u>	<u>\$ (7,611)</u>	<u>\$ (4,422)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 2,423	\$ 2,230	\$ 2,210	\$ 2,238	\$ 2,262	\$ 2,180	\$ 2,030	\$ 1,890	\$ 1,579	\$ 877
Sales taxes	3,520	3,309	3,096	2,953	2,820	2,551	2,429	2,543	2,655	2,299
Franchise taxes	1,449	1,368	1,396	1,338	1,267	1,229	1,209	1,165	1,107	956
Impact fees ³	-	-	-	-	-	227	482	232	262	1,877
Unrestricted investment earnings	58	46	39	36	33	11	10	143	440	484
Other revenues (uses) not restricted to specific progr.	181	184	235	102	220	100	42	147	8,957	342
Transfers	-	96	187	187	187	186	190	336	1,343	193
Total governmental activities	<u>7,631</u>	<u>7,233</u>	<u>7,163</u>	<u>6,854</u>	<u>6,789</u>	<u>6,484</u>	<u>6,392</u>	<u>6,456</u>	<u>16,343</u>	<u>7,028</u>
Business-type activities:										
Impact fees ³	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 253	\$ 502	\$ 328	\$ 479	\$ 993
Unrestricted investment earnings	39	27	24	37	35	21	21	55	142	196
Other revenues (uses) not restricted to specific progr.	110	26	72	10	19	21	-	-	6,406	1,660
Transfers	-	(96)	(187)	(187)	(187)	(186)	(190)	(336)	(1,343)	(193)
Total business-type activities	<u>149</u>	<u>(43)</u>	<u>(91)</u>	<u>(140)</u>	<u>(133)</u>	<u>109</u>	<u>333</u>	<u>47</u>	<u>5,684</u>	<u>2,656</u>
Total primary government	<u>\$ 7,780</u>	<u>\$ 7,190</u>	<u>\$ 7,072</u>	<u>\$ 6,714</u>	<u>\$ 6,656</u>	<u>\$ 6,593</u>	<u>\$ 6,725</u>	<u>\$ 6,503</u>	<u>\$ 22,027</u>	<u>\$ 9,684</u>
Change in Net Position										
Governmental activities	\$ 3,875	\$ 2,774	\$ 1,238	\$ 1,270	\$ 948	\$ 2,504	\$ 2,364	\$ (2,366)	\$ 8,953	\$ 2,184
Business-type activities	3,285	2,629	1,002	1,258	439	2,702	2,982	379	5,463	3,078
Total primary government	<u>\$ 7,160</u>	<u>\$ 5,403</u>	<u>\$ 2,240</u>	<u>\$ 2,528</u>	<u>\$ 1,387</u>	<u>\$ 5,206</u>	<u>\$ 5,346</u>	<u>\$ (1,987)</u>	<u>\$ 14,416</u>	<u>\$ 5,262</u>

Note:

¹ Prior to FY 2010, the Storm Water Utility Fund was combined with Government Activities - Highways and public improvements.

² Prior to FY 2009, the Sewer Utility Fund and Garbage Utility Fund were combined with the Culinary Water Utility Fund.

³ Beginning in FY2012, impact fee revenues were included in the program revenues above by department where charged.

SYRACUSE CITY
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Page 1 of 2

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues										
Taxes	\$ 7,391	\$ 6,908	\$ 6,703	\$ 6,529	\$ 6,349	\$ 5,983	\$ 5,693	\$ 5,622	\$ 5,340	\$ 4,132
Licenses and permits	816	567	592	534	350	245	322	358	345	820
Impact fees	1,204	688	1,003	745	338	227	482	620	852	1,877
Intergovernmental	2,649	2,145	881	1,081	1,087	846	937	979	1,135	1,232
Administrative Fees ^{1,2}	-	-	-	600	506	579	-	-	-	-
Charges for services	1,907	1,633	1,705	1,356	1,082	996	907	954	603	580
Fines and forfeitures	209	221	224	282	343	331	295	262	219	209
Investment earnings	58	45	39	36	33	12	8	143	440	484
Lease Revenue	1,097	1,097	1,157	-	-	-	-	-	-	-
Management Fee ²	30	25	25	59	107	63	-	-	-	-
Miscellaneous	182	210	247	213	136	162	227	192	137	115
Total revenues	15,543	13,539	12,576	11,435	10,331	9,444	8,871	9,130	9,071	9,449
Expenditures										
General government ^{1,2}	1,882	1,793	1,691	2,458	2,199	1,836	1,183	1,582	1,529	1,588
Public safety	3,994	3,730	3,787	3,817	3,449	3,370	3,222	3,304	3,187	2,568
Highways and public improvemer	3,534	3,432	2,382	2,171	533	1,283	1,253	1,615	2,257	804
Parks and recreation	1,443	1,136	1,044	1,050	932	1,026	956	924	916	1,054
Lease Payment	1,097	1,097	1,157	-	-	-	-	-	-	-
Capital outlay	497	1,148	100	236	1,352	124	405	6,521	9,043	6,886
Redevelopment / Other	498	270	395	-	-	-	-	-	39	43
Debt service:										
Principal retirement	12,141	1,915	1,021	1,010	813	681	778	700	774	364
Interest and fiscal charges	356	434	541	578	660	684	706	777	114	124
Total expenditures	\$25,442	\$14,955	\$12,118	\$11,320	\$ 9,938	\$ 9,004	\$ 8,503	\$15,423	\$17,859	\$ 13,431

SYRACUSE CITY
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Page 2 of 2

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Excess of revenues over (under) expenditures	\$ (9,899)	\$ (1,416)	\$ 458	\$ 115	\$ 393	\$ 440	\$ 368	\$ (6,293)	\$ (8,788)	\$ (3,982)
Other financing sources (uses)										
Issuance of Debt	11,246	6,882		-	6,770	-	-	-	5,924	9,576
Payment to ref. bonds escrow agt	-	(6,419)		-	(5,572)	-	-	-	-	-
Capital contributions	-	228	3							
Sale of capital assets	-	-	1,961	14	156	-	-	-	-	-
Transfers in	1,433	1,100	228	187	187	201	414	1,258	1,117	258
Transfers out	(1,433)	(1,005)	(42)	-	-	(322)	(340)	(1,062)	(959)	(65)
Total other financing sources (uses)	11,246	786	2,150	201	1,541	(121)	74	196	6,082	9,769
Net change in fund balances	\$ 1,347	\$ (630)	\$ 2,608	\$ 316	\$ 1,934	\$ 319	\$ 442	\$ (6,097)	\$ (2,706)	\$ 5,787
Debt service as a percentage of noncapital expenditures	50.1%	17.0%	13.0%	14.3%	17.2%	15.4%	18.3%	16.6%	10.1%	7.5%

Note:

¹ Beginning in FY 2011, administrative fees charged to utilities funds were shown as a revenue instead of an offset to expenses in the general fund.

² Beginning in FY 2014, administrative fees charged to utilities funds were shown as a credit to expense instead of a revenue in the general fund.

³ Beginning in FY 2011, a management fee was charged to the redevelopment fund. The expenditure is included in general government.

SYRACUSE CITY
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General fund:										
Nonspendable	\$ 128	\$ 65	\$ 119	\$ 112	\$ 644	\$ 17	\$ -	\$ -	\$ -	\$ -
Restricted	3,279	2,316	3,066	1,608	1,080	383	-	-	-	-
Committed	-	-	-	66	93	71	-	-	-	-
Assigned	548	682	738	-	-	-	-	-	-	-
Unassigned	2,024	2,386	2,146	1,716	1,324	1,000	-	-	-	-
Total general fund	<u>\$ 5,979</u>	<u>\$ 5,449</u>	<u>\$ 6,069</u>	<u>\$ 3,502</u>	<u>\$ 3,141</u>	<u>\$ 1,471</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

All other governmental funds:										
Restricted	\$ 866	\$ 791	\$ 725	\$ 690	\$ 691	\$ 428	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	8	8	10	-	-	-	-
Assigned	828	86	162	149	193	190	-	-	-	-
Total all other governmental funds	<u>\$ 1,694</u>	<u>\$ 877</u>	<u>\$ 887</u>	<u>\$ 847</u>	<u>\$ 892</u>	<u>\$ 628</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 474	\$ 259	\$ 1,046	\$ 2,740
Designated, unreserved	-	-	-	-	-	-	48	24	-	-
Unreserved	-	-	-	-	-	-	625	285	430	797
Total general fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,147</u>	<u>\$ 568</u>	<u>\$ 1,476</u>	<u>\$ 3,537</u>

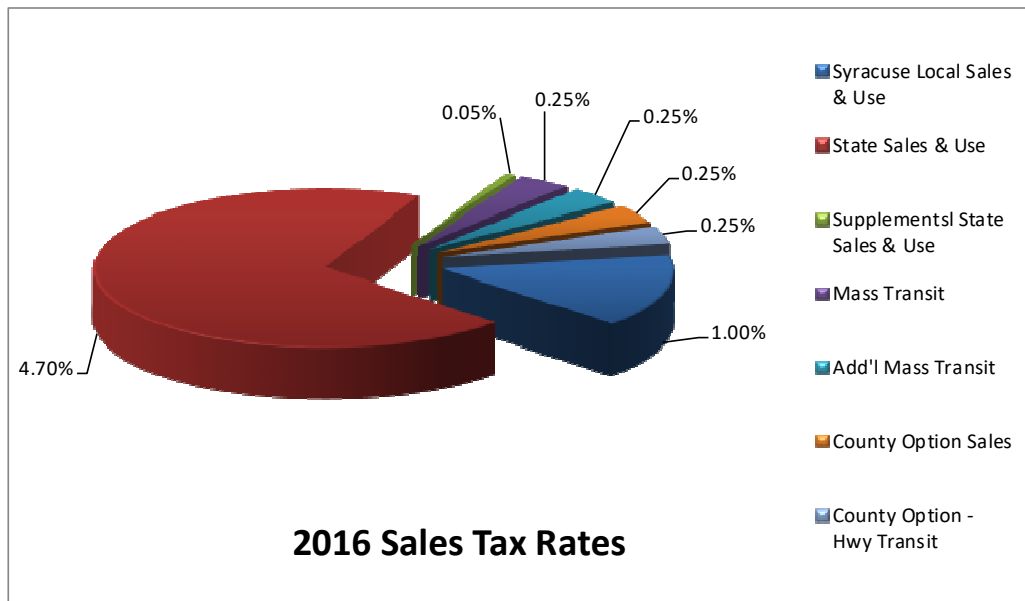
All other governmental funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 254	\$ 608	\$ 5,629	\$ 6,874
Designated, unreserved reported in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	(15)	206	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	394	494	868	268
Total all other governmental funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 633</u>	<u>\$ 1,308</u>	<u>\$ 6,497</u>	<u>\$ 7,142</u>

Note:

Beginning in FY 2011, the fund balance categories were reclassified as a result of implementing GASB Statement 54. Fund balance has not been restated for prior years.

SYRACUSE CITY
SALES TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

Fiscal Year	Syracuse City Local Sales & Use	State Sales & Use	Supplemental State Sales & Use	Mass Transit	Additional Mass Transit	County Option Sales	County Option Hwy / Transit	Total for Syracuse Residents
2016	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	0.25%	6.75%
2015	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	-	6.50%
2014	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	-	6.50%
2013	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	-	6.50%
2012	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	-	6.50%
2011	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	-	6.50%
2010	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	-	6.50%
2009	1.00%	4.70%	0.05%	0.25%	0.25%	0.25%	-	6.50%
2008	1.00%	4.65%	0.05%	0.25%	0.25%	0.25%	-	6.45%
2007	1.00%	4.75%	-	0.25%	0.25%	0.25%	-	6.50%



Note:

Rates are given as of the second quarter of each year.

Source:

Utah State Tax Commission - Sales Tax Division

SYRACUSE CITY
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

Fiscal Year	Real Property		Personal Property		Centrally Assessed Property	Total Taxable Assessed Value	Total Direct City Tax Rate	Estimated Actual Market Value	Assessed Value as a Percentage of Actual Value
	Real Estate	Building	Mobile Homes	Other					
2016	\$ 361,325	\$ 755,680	\$ -	\$ 25,071	\$ 18,417	\$ 1,160,493	1.639	\$ 2,089,899	55.53%
2015	347,890	697,034	-	20,364	16,510	1,081,798	1.659	1,971,626	54.87%
2014	316,519	650,579	-	21,928	16,576	1,005,602	1.787	1,749,861	57.47%
2013	320,108	612,472	-	23,388	15,136	971,104	1.832	1,653,539	58.73%
2012	317,384	608,728	-	24,689	14,840	965,641	1.821	1,809,649	53.36%
2011	336,032	681,079	-	19,412	15,426	1,051,949	1.631	1,771,644	59.38%
2010	339,540	637,430	-	21,423	20,827	1,019,220	1.613	1,719,161	59.29%
2009	425,187	597,489	18	21,169	19,464	1,063,327	1.500	n/a	n/a
2008	243,935	581,033	13	14,650	17,586	857,217	1.500	n/a	n/a
2007	195,090	474,826	12	12,574	16,385	698,887	1.043	n/a	n/a

Notes:

Taxable property value is based on the calendar year ending six months before the fiscal year ends.

Estimated actual market value is not available for the prior three years.

Total property value is excluding fee-in-lieu.

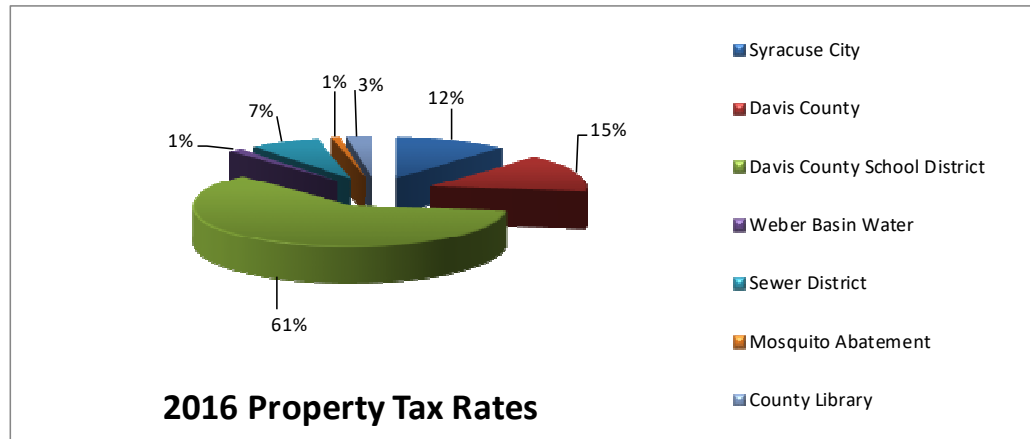
Sources:

Utah State Tax Commission - Property Tax Division website

Davis County

SYRACUSE CITY
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years
(Per \$1,000 Assessed Valuation)

Fiscal Year	Syracuse City ¹	Davis County	Davis County School District	Weber Basin Water Conservancy District	North Davis County Sewer District	Davis County Mosquito Abatement District	County Library	Total Levy for Syracuse Residents
2016	1.639	2.153	8.555	0.196	1.025	0.122	0.361	14.051
2015	1.659	2.161	8.259	0.199	1.025	0.124	0.361	13.788
2014	1.787	2.331	8.710	0.210	1.025	0.103	0.389	14.555
2013	1.832	2.391	8.941	0.215	0.993	0.105	0.396	14.873
2012	1.821	2.383	8.861	0.217	0.928	0.104	0.392	14.706
2011	1.631	2.213	7.860	0.207	0.864	0.097	0.363	13.235
2010	1.613	2.108	7.118	0.188	0.763	0.093	0.348	12.231
2009	1.500	1.997	6.764	0.181	0.763	0.088	0.332	11.625
2008	1.500	2.189	7.176	0.200	0.763	0.099	0.375	12.302
2007	1.043	1.739	7.305	0.178	0.763	0.086	0.403	11.517



Notes:

¹ The direct Syracuse City property tax rate is used solely for general operations of the city government.

Overlapping rates are those of local and county governments that apply to property owners within Syracuse City. Not all overlapping rates apply to all Syracuse City property owners (e.g., the rates for special districts apply only to the property owners whose property is located within the geographic boundaries of the special district).

Source:

Utah State Tax Commission - Property Tax Division web site

SYRACUSE CITY
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Seven Years Ago
(Amounts Expressed in Thousands)

Taxpayer	Type of Business	2016		2009	
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Rank
United States Cold Storage, Inc	Manufacturing	\$ 19,288	1	1.66%	n/a
Wal-Mart	Retail	\$ 14,281	2	1.23%	\$ 15,339 1 1.44%
Pacificorp	Utility	10,335	3	0.89%	13,734 2 1.29%
Antelope LC	Medical	7,361	4	0.63%	6,799 3 0.64%
Syracuse Family Fun Center	Retail	6,330	5	0.55%	n/a n/a n/a
Boyer Syracuse Associates	Retail properties	6,193	6	0.53%	6,769 4 0.64%
Shadowpoint LLC	Retail properties	5,315	7	0.46%	4,714 6 0.44%
Questar Gas	Utility	5,025	8	0.43%	3,301 8 0.31%
Utan Onions Inc.	Agriculture	4,288	9	0.37%	n/a n/a n/a
RC Willey	Retail	4,015	10	0.35%	2,701 10 0.25%
Total taxable value of 10 largest taxpayers		82,431		7.10%	53,357 5.02%
Total taxable value of other taxpayers		1,078,063		92.90%	1,009,970 94.98%
Total taxable value of all taxpayers		\$ 1,160,494		100.00%	\$ 1,063,327 100.00%

Note:

Information from ten years ago was unavailable, so the 2009 tax year was used.

Source:

Davis County Clerk/Auditor's office

SYRACUSE CITY
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Tax Years

Tax Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collection of Previous years Taxes	Total Tax Collections	Percent of Total Tax Collected to Total Levy
2016	\$ 1,902,048	\$ 1,830,402	96.23%	\$ 23,319	\$ 1,853,721	97.46%
2015	1,794,703	1,741,894	97.06%	12,723	1,754,617	97.77%
2014	1,797,011	1,741,771	96.93%	19,159	1,760,930	97.99%
2013	1,779,063	1,667,892	93.75%	59,897	1,727,789	97.12%
2012	1,758,432	1,607,933	91.44%	42,352	1,650,285	93.85%
2011	1,715,729	1,577,797	91.96%	27,934	1,605,731	93.59%
2010	1,644,002	1,515,516	92.18%	53,035	1,568,551	95.41%
2009	1,594,991	1,501,503	94.14%	33,483	1,534,986	96.24%
2008	1,285,826	1,235,036	96.05%	29,718	1,264,754	98.36%
2007	728,939	708,662	97.22%	10,566	719,228	98.67%

Source:

Davis County Treasurer's office

SYRACUSE CITY
PROPERTY VALUE AND NEW CONSTRUCTION
Last Ten Fiscal Years
(Dollar Values Expressed in Thousands)

Year	Real Property Taxable Value ¹				Residential Construction ²		Commercial Construction ²		Other Construction ²	
	Commercial	Residential	Other	Total	Units	Value	Units	Value	Units	Value
2016	\$ 113,247	\$ 964,365	\$ 39,394	\$ 1,117,006	248	\$ 57,334	7	\$ 385	348	\$ 5,672
2015	96,199	914,973	33,752	1,044,924	174	39,153	9	3,105	205	1,690
2014	100,740	833,866	32,492	967,098	212	49,330	8	517	216	1,802
2013	107,187	787,373	38,019	932,579	162	37,652	5	192	186	2,152
2012	102,217	781,365	42,529	926,112	83	18,195	9	313	207	1,509
2011	115,544	851,112	50,455	1,017,111	69	15,260	12	958	240	1,882
2010	93,539	828,723	54,708	976,970	96	20,963	33	4,171	283	2,394
2009	78,859	863,778	80,039	1,022,676	69	16,864	26	62,129	285	2,479
2008	62,037	700,164	62,768	824,969	255	57,161	37	16,496	262	2,297
2007	38,629	621,074	10,214	669,917	471	100,152	18	19,383	221	2,305

Note:

Taxable property value, construction units and construction values are based on the calendar year ending six months before the fiscal year ends.

Sources:

¹ Utah State Tax Commission - Property Tax Division

² Syracuse City Community & Economic Development department

SYRACUSE CITY
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities						Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Capital Lease	MBA Revenue Bonds	Sales Tax Revenue Bonds	Special Assessment Bonds	Excise Tax Road Bonds	Capital Improvement Loan	Capital Lease	Water Revenue Notes			
2016	\$ 665,926	\$ 11,246,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	11,911,926	1.63%	434.82
2015	875,246	11,930,000	-	-	-	-	-	-	12,805,246	1.88%	480.70
2014	655,953	12,249,000	985,000	-	-	-	-	-	13,889,953	2.16%	538.89
2013	853,726	12,932,000	1,125,000	-	-	-	-	-	14,910,726	2.43%	593.63
2012	1,058,686	13,602,000	1,260,000	-	-	-	-	113,000	16,033,686	2.75%	647.67
2011	-	13,901,000	1,390,000	-	-	-	-	226,000	15,517,000	2.87%	637.75
2010	-	14,457,000	1,515,000	-	-	-	-	339,000	16,311,000	5.90%	723.61
2009	-	14,999,000	1,640,000	111,000	-	-	-	452,000	17,202,000	6.14%	780.14
2008	-	15,304,000	1,760,000	216,000	170,000	-	-	565,000	18,015,000	6.78%	854.97
2007	-	9,350,000	1,875,000	315,000	330,000	1,000,000	-	678,000	13,548,000	5.55%	694.98

Notes:

Details regarding the city's outstanding debt can be found in the notes to the financial statements.

See the Schedule of Demographic and Economic Statistics for personal income and population data.

SYRACUSE CITY
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2016

Governmental Unit	General Bonded Debt Outstanding	Est. Percentage Applicable to Syracuse City	Estimated Share of Overlapping Debt
North Davis County Sewer District ¹	\$ 26,970,000	12.82%	\$ 3,456,882
State of Utah ²	2,498,895,000	0.52%	12,940,259
Weber Basin Water Conservancy District ¹	19,862,674	2.52%	500,259
Davis County ²	16,260,573	6.15%	999,637
Davis County School District ²	424,740,000	6.15%	26,111,371
Overlapping debt			\$ 44,008,408
Syracuse City bonded debt		100.00%	11,911,926
Total direct and overlapping general bonded obligation debt			<u>\$ 55,920,334</u>

Note:

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by taking Syracuse City's taxable property value and dividing by the governmental unit's taxable property value.

Sources:

¹ Individual governmental unit

² Davis County CAFR 2015

SYRACUSE CITY
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(Amounts Expressed in Thousands)

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt Limit	\$46,420	\$43,272	\$40,224	\$38,844	\$38,626	\$ 42,078	\$40,769	\$42,533	\$34,289	\$27,955
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$46,420</u>	<u>\$43,272</u>	<u>\$40,224</u>	<u>\$38,844</u>	<u>\$38,626</u>	<u>\$ 42,078</u>	<u>\$40,769</u>	<u>\$42,533</u>	<u>\$34,289</u>	<u>\$27,955</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total assessed value						<u>\$ 1,160,493</u>				
Debt limit (4% of total assessed value)						\$ 46,420				
Debt applicable to limit:										
Total bonded debt					\$11,246					
Less:										
Special assessment bonds					-					
Revenue bonds					(11,246)					
Amounts available for repayment of general obligation bonds					-					
Other deductions allowed by law					-					
Total net debt applicable to limit						<u>-</u>				
Legal debt margin						<u>\$ 46,420</u>				

**SYRACUSE CITY
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years**

Year	Population ¹	Personal Income ¹	Per Capita Personal Income ¹	Unemployment Rate ²	Total Public School Enrollment ³
2015	27,395	\$ 731,090,365	26,687	3.4%	69,879
2014	26,639	682,624,375	25,625	3.4%	69,139
2013	25,775	641,823,275	24,901	3.5%	68,505
2012	25,118	614,737,932	24,474	4.3%	68,342
2011	24,756	583,449,408	23,568	5.6%	67,736
2010	24,331	539,960,800	22,192	6.2%	66,071
2009	22,541	276,303,598	12,258	5.9%	65,452
2008	22,050	279,942,855	12,696	3.3%	65,014
2007	21,071	265,852,664	12,617	2.6%	64,553
2006	19,494	243,901,527	12,512	2.9%	62,832

Notes:

Figures for 2010 are from the 2010 US Census.

Population figures, other than 2010, are estimates as of July 1 based on the US Census' population estimates

Personal income figures, other than 2010, are estimates based on annual growth rates for the State of Utah.

Unemployment figures are rates for Davis County. Information on a city level is not available.

Sources:

¹ U S Census Bureau

² State Department of Workforce Services website - <https://jobs.utah.gov>

³ State of Utah - State Office of Education web sites

**SYRACUSE CITY
PRINCIPAL EMPLOYERS
Prior Year and Ten Years Ago**

		Fiscal Year			
		2015		2006	
Employer	Type of Business	Employees	Rank	Employees	Rank
Hill Air Force Base	US Air Force / Logistics	10,000 - 14,999	1	15,000 - 25,000	1
Davis County School District	Public Education	7,000 - 9,999	2	5,000 - 7,000	2
ATK Space Systems	Manufacturing	1,000 - 1,999	3	n/a	n/a
Smith's Food & Drug / Marketplace	Retail	1,000 - 1,999	4	1,000 - 1,999	4
Wal-Mart	Retail	1,000 - 1,999	5	n/a	n/a
Lifetime Products	Manufacturing / Retail	1,000 - 1,999	6	1,000 - 1,999	3
Lagoon, Inc	Amusement Park	1,000 - 1,999	7	500 - 999	6
Davis County	County Government	1,000 - 1,999	8	500 - 999	5
Utility Trailer	Manufacturing	500 - 999	9	500 - 999	7
Davis Hospital	Medical	500 - 999	10	500 - 999	11
Albertson's	Retail	n/a	n/a	500 - 999	8
Amusement Services	Retail	n/a	n/a	500 - 999	9
Associates Commerce Solutions	Retail	n/a	n/a	500 - 999	10

Notes:

The Utah Department of Workforce Services provides employment information on a county basis.
Syracuse City is the fifth largest city in Davis County.

Source:

Department of Workforce Services website - <http://jobs.utah.gov>
Davis County Comprehensive Annual Financial Report 2015

SYRACUSE CITY
FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION
Last Seven Fiscal Years

Function / Programs	Full-time Employees as of June 30						
	2016	2015	2014	2013	2012	2011	2010
General government	19	17	20	18	17	17	17
Public safety							
Firefighters	12	12	12	12	11	11	11
Police							
Officers	19	20	15	18	19	19	18
Civilians	2	2	2	2	2	2	2
Highways and public improvements	16	15	14	13	14	13	12
Parks & Recreation	7	5	5	6	6	7	8
Total	75	71	68	69	69	69	68

Note:

Syracuse City began presenting these statistics in 2010. Comparative data prior to that time is not available.

Sources:

Payroll departmental data

SYRACUSE CITY
OPERATING INDICATORS BY FUNCTION
Last Seven Fiscal Years

Function	Fiscal Year						
	2016	2015	2014	2013	2012	2011	2010
Police							
Total incidents ¹	17,158	14,320	12,085	7,628	7,821	7,698	6,641
Citations written	1,430	1,677	1,773	2,023	1,871	2,614	2,105
Total violations included on citations	1,963	2,406	2,441	2,780	2,781	3,335	2,756
Theft incidents	270	291	218	213	195	258	364
Assault incidents	79	77	83	96	104	126	215
Fire							
Number of calls dispatched	982	910	805	743	817	850	764
Streets							
Street sweeping:							
Miles	1180	775	812	784	705	627	1,919
Hours	438	291	291	257	213	211	509
Water							
Service connections	7540	7330	7184	6863	6,683	6,608	6,534
Average daily consumption (gallons)	1,661,331	1,930,000	1,928,000	1,705,000	1,603,580	1,634,638	1,402,504
Recreation							
Community center memberships	924	998	1,172	1,929	1,328	1,261	852
Recreation program participants	4,709	4,014	4,105	4,090	4,218	4,134	3,998

Note:

Syracuse City began presenting these statistics in 2010. Comparative data prior to that time is not available.

¹ For 2015 & 2014, incidents included all actions for police officers, including items that did not receive an incident number.

Sources:

Various City departmental data

SYRACUSE CITY
CAPITAL STATISTICS BY FUNCTION
Last Seven Fiscal Years

Function	Fiscal Year						
	2016	2015	2014	2013	2012	2011	2010
Police							
Stations	1	1	1	1	1	1	1
Patrol units	11	11	11	10	10	10	10
Fire							
Stations	1	1	1	1	1	1	1
Streets							
Streets (miles) ¹	98	97	96	96	94	97	97
Streetlights ²	863	846	815	722	720	395	341
Parks and recreation							
Community centers	1	1	1	1	1	1	1
Parks	14	12	12	12	12	12	12
Park acreage	147	107	107	107	107	107	107
Trails (acreage)	29	29	29	29	29	29	29
Covered picnic areas	10	10	10	10	10	10	10
Baseball/Softball diamonds	5	4	4	4	4	4	4
Soccer fields	7	5	5	5	3	3	2
Tennis courts	2	2	2	2	2	2	2
Gymnasiums	2	2	2	2	2	2	1

Notes:

Syracuse City began presenting these statistics in 2010. Comparative data prior to that time is not available.

¹ A complete road survey and analysis was performed in 2012 and it was determined that actual street miles were 94 instead of the 97 miles represented in prior years.

² Syracuse City purchased all of the street lights owned by Rocky Mountain Power in May 2012.

³ In 2016, park acreage also included detention basins used for sports and the equestrian park. These were not included in prior years.

Sources:

Various City departmental data

COMPLIANCE SECTION



Keddington & Christensen, LLC
Certified Public Accountants

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor and
Members of the City Council
City of Syracuse
Syracuse, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Syracuse, Utah as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Syracuse, Utah's (the City) basic financial statements, and have issued our report thereon dated December 5, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Keddington & Christensen, LLC

December 5, 2016



Keddington & Christensen, LLC

Certified Public Accountants

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA

**INDEPENDENT AUDITOR'S REPORT AS REQUIRED BY
THE STATE COMPLIANCE AUDIT GUIDE ON:
COMPLIANCE WITH GENERAL STATE COMPLIANCE
REQUIREMENTS, AND INTERNAL CONTROL OVER COMPLIANCE**

Honorable Mayor and
Members of the City Council
City of Syracuse
Syracuse, Utah

Report on Compliance with General State Compliance Requirements and for Each Major State Program

We have audited the City of Syracuse's (the City) compliance with the applicable general state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City for the year ended June 30, 2016.

General state compliance requirements were tested for the year ended June 30, 2016 in the following areas:

Budgetary Compliance	Fund Balance
Justice Courts	URS Compliance
Restricted Taxes and Related Revenues	Open and Public Meetings Act
Treasurer's Bond	Impact Fees

Management's Responsibility

Management is responsible for compliance with the general state requirements referred to above and the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the City occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with general state compliance requirements and for each major state program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on General State Compliance Requirements

In our opinion, the City of Syracuse complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the City or on each of its major state programs for the year ended June 30, 2016.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the *State Compliance Audit Guide* and which is described in the accompanying schedule of findings and recommendations as item 2016-1. Our opinion on compliance is not modified with respect to this matters.

The City's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and recommendations. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the compliance requirements that could have a direct and material effect on the City to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance with general state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a general state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a general state compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

We noted a matter involving internal control over compliance which we are submitting for your consideration. This matter is described in the accompanying schedule of findings and recommendations as item 2016-1.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Keddington & Christensen, LLC

Salt Lake City, Utah
December 5, 2016

SYRACUSE CITY
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For The Fiscal Year Ended June 30, 2016

State Compliance Finding

2016-1 Open and Public Meetings Act (Significant Deficiency)

Condition: During our testwork, it was noted that the two (2) city council approved minutes and two (2) city council work session approved minutes selected for testing were not uploaded to the Utah Public Notice website within three (3) days of approval.

Criteria: According to Utah Code Annotated (UCA) 52-4-203(4)(e)(ii), “within three business days after approving written minutes of an open meeting, post to the [Utah Public Notice Website].”

Cause: The approved minutes were not uploaded to the Utah Public Notice website within the required timeline.

Effect: The City is not in compliance with referenced Utah Code Annotated.

Recommendation: We recommend that the City upload minutes to the Utah Public Notice website within three (3) days of being approved.

City Response: The City will ensure that the City Council Minutes are posted to the Utah Public Notice website within 3 days of the approval date as required by UCA 52-4-203(4)(e)(ii). The City has historically posted, and continues to post and make available to the public all City Council minutes and meeting information on its City website within three (3) days of approval.